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ABSTRACT

This guide is intended to assist school personnel by clarifying issues, provide directions in basic information, and stimulate practical considerations for the learner in the area of consumer education. Its objectives are to (1) assist school administrators in the implementation of consumer education, and (2) assist secondary teachers in planning an instructional program in consumer education that meets students' needs. An introduction offers a rationale and objectives. Procedures for implementation cover content, responsibility, time allotment, certification of teachers, and methods of implementation. Consumer education topics that are identified are the individual consumer and the marketplace, money management, consumer credit, buying goods and services, insurance, savings and investments, taxes, and the consumer in society. The discussion of each topic includes objectives, outline of content, suggested activities, and instructional materials. A resource section contains listings of selected bibliographies and other sources of consumer education information. Although written for Illinois educators, the content and instructional programs suggested in the guide are adaptable to any school. (Author/ND)

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PROCEDURES FOR IMPLEMENTATION

Content

The three areas specified in the law have been expanded to the consumer education topics included within this publication. For a comprehensive educational program, it is suggested that the consumer education curriculums encompass these topics. The total consumer education program should lay the foundation for understanding one's role as a consumer and relate basic concepts to individual action.

Responsibility

Inasmuch as instruction in consumer education is mandated by the State of Illinois, all students in the public schools in Grades 8 through 12 must participate in this educational program. The means of implementing Senate Bill 977 rests with each local school district; therefore, each school district has the opportunity to develop instructional programs relevant to the needs and the individualities of the students and of the community. However, compliance must be met in terms of minimal recommended standards.

It is the responsibility of the superintendent of each school district to maintain a file documenting that each student has received adequate instruction in consumer education as required by law:

Installment Purchasing
Budgeting
Comparison of Prices

. . . prior to the completion of the 12th grade. Schools not providing a consumer education program for all students in Grades 8 through 12 as prescribed in Section 27-12:1, of *The School Code of Illinois* are given 60 days to respond to the Recognition and Supervision Section as to intent regarding how and when to implement the appropriate program.

Time Allotment

The Superintendent of Public Instruction in fulfilling the responsibility required in the legislation, specified that a minimum of three weeks or fifteen class periods be devoted to each topic stated in the law. (Installment purchasing, budgeting, and comparison of prices.)

The minimum program recognized under the law and by this office consists of nine weeks of instruction (45 class periods, a period consisting of 50 minutes) or the equivalent.

Certification of Teachers

Teachers of consumer education shall have proper certification for the position to which they are assigned. The specific requirement is at least three semester hours in consumer education or consumer-related courses. Appropriate college and university courses may be found in the areas of home economics education, business education, social studies, and agriculture. It is recommended that the district encourage teachers to participate in in-service education programs which are offered throughout the State by this office and colleges and universities.

Methods of Implementation

In developing a program in compliance with Section 27-

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GUIDELINES FOR CONSUMER EDUCATION

April 1972

OFFICE OF THE
SUPERINTENDENT OF PUBLIC INSTRUCTION

Michael J. Bakalis, Superintendent

FOREWORD

Numerous changes have been made in this first revision of the *Guidelines for Consumer Education*. These changes reflect recent thinking, discussions, and observations of innovative approaches to the teaching of consumer education. There is no effort in this edition to disclaim the great contributions of previous writers; only to build upon the initial publication efforts so that we do not continue in the vein of how "it was done," but to encourage schools to flourish in terms of the future. The guide is offered in an effort to stimulate the competent to work toward sustained philosophical and practical efforts in the area of consumer education.

There is no easy way. We must continue to have regard for the existent organization of subject matter and be flexible enough to continually reappraise and add new content as it is necessary. The challenge for teachers and administrators is not through simplification, but in attacking those issues which are a bit more difficult. In general, the aims of the guide are to reinforce and expand the substantial body of well-established knowledges as they relate to consumer education, and further to embody the concepts of environmental issues.

Careful attention has been given to the needs of the individual learner. This emphasis grew out of successive considerations of the interrelationships of the individual and his role in society as a person. The intent is to provide guidelines which will have a wide usefulness. Based upon the assumption that effectiveness will ultimately be determined in the personal fulfillment of needs of each learner in the classroom, objectives and goals are person-related.

It is impossible, in a publication of this nature, to acknowledge all the sources from which assistance has been received. Special appreciation is due not only to the contributors who are acknowledged, but also to credit the more remote influences of countless others whose ideas and dedication are reflected. I am deeply aware of my debt to many colleagues for their invaluable aid in the preparation of this publication. The revised edition is intended to assist all school personnel by clarifying issues, provide directions in basic information, and above all to stimulate practical considerations for the learner in the area of consumer education today.

Michael J. Bakalis
Superintendent

USE OF GUIDE

The broad objectives of this guide are twofold; first, to assist school administrative personnel in the implementation of the mandate concerning consumer education as outlined in *The School Code of Illinois*; and secondly, to assist teachers in planning an instructional program in consumer education which meets the needs of the students.

Although instruction in consumer education has been taught as an integral part of different subject matter areas in the school curriculum for many years, Senate Bill 977 now requires that all students in the public schools in Grades 8 through 12 meet minimal instructional standards in consumer education.

The format used within this publication is similar to that of the 1968 edition. The content is reorganized, and further consideration is given to an expansion and updating of the consumer education topics including environmental issues relating to each appropriate consumer education unit. Increased emphasis is placed upon student activities which reflect the variant economic and ability levels of students. Whenever possible, students should be involved in the suggested activities. Selected annotated teacher/student references are identified at the conclusion of each unit.

Listings of selected bibliographies and other sources of consumer education information and materials from which a wealth of information may be obtained are included in the Resource Section of this publication. No attempt is made to include a comprehensive bibliography of consumer education materials. There are also many other excellent materials available.

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ERRATA

CONSUMER EDUCATION TOPICS

The Individual Consumer in the Marketplace
Money Management
Consumer Credit
*Buying Goods and Services
    Housing
    Food
    Transportation
    Clothing
    Health Services, Drugs, and Cosmetics
    Recreation
    Furnishings and Appliances
Insurance
Savings and Investments
Taxes
The Consumer in Society

INTRODUCTION

There is a growing awareness in the State of Illinois of the need to increase the degree of economic literacy in the public schools in order to provide students with an understanding of the functioning of our private enterprise system and how this affects individuals as income producers and consumers.

Legislation

To develop more informed and effective citizenship with personal economic competence, the Seventy-fifth General Assembly passed and the Governor approved Senate Bill 977 which amends *The School Code of Illinois* (Section 27-12:1) requiring that:

> "Pupils in the public schools in grades 8 through 12 shall be taught and be required to study courses which include instruction in consumer education, including but not necessarily limited to installment purchasing, budgeting, and comparison of prices."

Rationale

The general concept of consumer education is preparation for wise and responsible citizenship. Students should be made to feel that they are "living" now as truly as are adults; that their school is helping them live now more rewardingly; and that with each day and with each dollar they spend they are learning to build a better future for themselves and for others. Students need to explore, think about, and discuss what they want for others as well as for themselves. Young people today, perhaps as never before, have a real need to understand social values. They need to understand and appreciate the democratic processes.

The Office of the Superintendent of Public Instruction, therefore, has adopted the following definition of consumer education which serves as a basis for the materials and suggestions contained in this publication.

> Consumer education is the development of the individual in the skills, concepts, and understandings required for everyday living to achieve, within the framework of his own values, maximum utilization of, and satisfaction from, his resources.

One of life's most important problems is the managing of personal economic affairs and knowing how to maximize satisfaction from the level of one's income. To do this, students must understand fully that the basic ingredient of economic competence is the wise use of resources as one chooses a job, earns, spends, saves, borrows, invests, and plans for the future. Natural and human resources, as well as capital goods, are used to meet the needs and wants of the consumer.

Our economy is constantly changing, due in large part to its continuing development of new products, services, and methods for meeting the changing needs. In our economy, we are free to exercise choice among many alternatives in both earning and spending. Our ability, in the United States, to produce quantities of goods and services has raised the level of living of the average consumer far beyond that of most of the rest of the world. This is true even though we have unemployment and poverty in our society.

Objectives

At the core of consumer education is the student, who looks at himself and sees what he wants out of life and how

he can most effectively attain his goals. Essentially problem-solving, consumer education objectives include helping students:

- To become an informed consumer
- To understand the role of the consumer in our society
- To develop a sound decision-making process based upon one's individual goals and values
- To utilize resources to facilitate greater satisfaction in making consumer decisions
- To understand the rights and responsibilities of the consumer in society

To have the greatest impact, consumer education content and presentation must be oriented to students' current concerns and to the recognizable interests of themselves and their families. When this is done, students readily learn that consumer decisions must be based upon factual knowledge and the application of basic economic principles.

Many teenagers have part-time jobs—they are wage earners. Thus, there is urgent need to educate boys and girls alike, at all socioeconomic levels, on how to make intelligent decisions regarding their personal financial affairs. Given effective consumer education, students will be prepared to face and solve real life problems. They will make more intelligent consumer decisions which, over time, will prove helpful to themselves and to the general economy.

Since everyone is a consumer all of his life, it is extremely important that schools provide education that will enable students to be informed and conscientious buyers of those goods and services needed. It is becoming increasingly important for people to know how to get their money's worth. Youth must be given adequate instruction in the handling of real life problems necessary to be an informed citizen. Our youth, as members of a private enterprise system, must have economic understanding in order to meet the economic problems which occur daily both in their individual lives and in their government.

The attitude of teenagers toward and their skill in managing money will affect every area of their lives. They will face many important consumer economic decisions in the years ahead when getting an education, choosing a career, starting a marriage, raising a family, paying taxes, and engaging in a variety of other activities. Consumer education is preparation for living. It is setting goals and determining how time, money, and energy will be spent to reach those goals.

Consumer education is a lifelong process, but today's students need to be given direction in order to start on the right road.

Consumer education implements the objectives of general education, namely, "to foster individual fulfillment and nurture free, rational, and responsible men and women, without whom our society cannot endure."

12:1, of *The School Code of Illinois*, consumer education may be included in the secondary school curriculum at any grade level. There may be some advantages in placing the required instructional program at the eleventh or twelfth grade level because of the emotional and intellectual maturity of the students. On the other hand, the need for the understandings developed in consumer education might be just as great, or greater, for eighth, ninth, and tenth grade students, some of whom for a variety of reasons do not complete their secondary school education.

The most important elements to consider are the interest, qualifications, and enthusiasm of teachers selected to instruct in the consumer education program. The teacher and his creativity and flexibility will determine the success of the program.

Many factors influence school personnel in curriculum planning and development, and it is suggested that special consideration be given to the following items:

Courses currently included in the curriculum that contain substantial instruction in consumer education

Other requirements for graduation

Complexity of school schedule

Emotional and maturity levels of students

Number of nonterminal students

Unique needs of students

Special factors within the community

In an effort to provide school personnel with possible alternatives for integrating consumer education into an already overcrowded curriculum, four basic plans are described:

I. Existing Courses

First, it is possible to use courses currently within the curriculum to meet the consumer education requirement. A school might decide, for example, that one or more of the following courses would be appropriate and, thus, a requirement of all students. (The assumption is that these courses meet the content and time requirements.)

General Business
Consumer Economics
Consumer and Homemaking
Family Living
Economics

II. Separate Course

A school might develop a specific course devoted to consumer education and require that all students take this course. The course could be offered for one or two semesters. The local district could decide, for example, that all students must complete a one-semester course in consumer education during the sophomore, junior, or senior year. An existing required course might be selected as the appropriate offering to meet the consumer education requirements and use at least nine weeks of the course for consumer education.

If a separate course in consumer education is offered, the difficulty obviously lies in adjustments to the cirriculum, as a whole, as well as in obtaining teachers for the course. The approach to the design of such a course is critical because the course must be pertinent to the everyday living situation of the particular student group. The teacher must be constantly on the alert to changing conditions and problems that affect consumers.

III. Integration

Consumer education may be integrated into all (or selected) subject areas. Although this approach has great merit, it must be meticulously planned and executed. Personnel at the administrative level should make certain that all teachers and all classes become involved in teaching consumer education. Under such a plan it is obvious that a coordinator is needed for each school. Under this integrated approach, each department or subject area would use instructional materials of a consumer education nature. For example, in appropriate business courses, students might study about insurance and investment programs; in home economics education, the purchase and use of consumer goods; in mathematics, the calculation of credit costs; and in English, the current publications of consumer interests; etc. While the details of planning such an approach are extensive, it can be an effective manner of developing consumer education competencies.

Implementation by means of an integrated approach should involve a review of faculty competencies, which may necessitate scheduling adjustments in order that knowledgeable and capable faculty members may exchange instructional time for the purpose of teaching the various consumer education topics in classes to which they are not ordinarily assigned.

IV. Team Teaching

A popular approach many schools are using is team teaching or a variation of team teaching. Examples of disciplines which may be involved in using this approach are business education, home economics, industrial arts, mathematics, and social studies. Teachers representing these areas may come together and share their expertise, experiences, resources, and viewpoints through cooperative planning and teaching sessions. Such a procedure should insure, insofar as possible, the development of a strong, comprehensive consumer education program.

CONSUMER EDUCATION TOPICS

THE INDIVIDUAL CONSUMER IN THE MARKETPLACE

The increasing complexity and size of the marketplace requires that consumers become better informed about both personal and public policy economics. People under twenty-one years of age represent a major spending force. These people should know "how to buy"—how to use sources of information, compare prices, identify value, and avoid fraud and deception. Also, with the right to vote at age eighteen, it is especially important that each individual realize that he plays an important role in our economy and that knowledge in matters of personal economics can greatly affect his welfare.

Education about business and economics often is from the "producer viewpoint." In today's economy, the consumer's influence is increasing. Uninformed consumers may encourage undesirable products and practices which affect everyone. On the other hand, informed consumers may demand that business enterprise provide quality products and services.

Each citizen needs to know that the laws give him both rights and responsibilities in his business dealings. He should learn to make informed choices by knowing and using sources of consumer information. While the majority of businessmen are honest and fair, there are some unscrupulous businessmen who take unfair advantage of customers. If the consumer falls prey to the dishonest businessman, he should know how to obtain appropriate help.

Few of us have ample resources necessary to satisfy all our wants. By becoming an informed consumer, everyone should learn to derive the greatest satisfaction from their limited resources.

Objectives

To help students:

- recognize the uniqueness of each consumer
- understand the factors which affect decision-making
- recognize law and its relationship to the consumer in the marketplace
- understand the rights and responsibilities of the consumer in the marketplace
- recognize and avoid fraudulent and deceptive business practices
- recognize the need for practical experience in the marketplace
- identify the criteria and sources of information available
- recognize common consumer problems and pitfalls

Outline of Content

1. Identifying the consumer
   - User of goods and services
   - Decision maker
   - Individual in relation to the family
   - Consumer in comparison with the producer
   - Consumer in relation to the seller
   - Consumer vis-a-vis the wage earner

- Consumer in relation to his culture
  - Foreign—domestic consumption patterns
  - Religious and ethnic factors

2. Factors affecting decision-making
   - Psychological motivation and restraints
     - Needs and wants
     - Values and goals
     - Sensory perceptions
     - Behavior analysis
       - impulsive
       - repetitive
       - planned
   - Social motivation and restraints
     - Custom and tradition
     - Culture and ethnical influence
     - Peer group
     - Individual in relation to club membership
   - Economic motivation and restraints
     - Personal and family resources
       - income
       - savings
       - skills
       - talents
       - education
       - inheritance
     - Previous allocation of resources
       - credit contracts
       - insurance
     - Emergencies
     - Local and national financial outlook
   - Legal motivation and restraints
     - License and taxes
     - Product features and characteristics
     - Illegal products

3. Information: Basis for sound decision-making
   - Criteria for quality information
     - Reliability
     - Validity
     - Communicability
   - Sources
     - Independent consumer testing companies
     - Business-sponsored aids
       - business bureaus
       - seals of approval
     - Trade associations
     - Citizen groups
     - Government agencies
     - Professional associations
   - Methods of obtaining information
     - Product file
     - Product study

4. Practical experience in the marketplace
   - Principles in buymanship
     - Comparison of products and prices
     - Methods of payment for goods and services
   - Comparison of stores, consumer services, and other facilities
   - Changing marketplace

5. Rights and responsibilities
   - Right to product and service safety, and the Responsibility to use them properly
   - Right to redress grievances, and the Responsibility to register complaints

Right to fair value in the marketplace, and the Responsibility to use information effectively

Additional rights
- Right to be heard
- Right to choose
- Right to be informed

Additional responsibilities
- To be honest in transactions
- To honor obligations

6. Consumer problems
   - Fraudulent and deceptive selling practices
   - False advertising
   - Phony repairs
   - Consumer contracts
   - Misinformation
   - Misrepresentation of merchandise
   - Poor service
   - Defaults on guarantees and warranties

Suggested Activities

Read articles comparing like consumer items. Use *Changing Times*, *Consumer Reports*, and *Consumer Bulletin* as sources of information.

Prepare a bulletin board display of newspaper and magazine articles which involve consumer agencies working for consumers.

Prepare and discuss a list of business practices prohibited by the Federal Trade Commission.

Listen to a speaker from the Food and Drug Administration discuss the protective role played by his agency, and whether its authority might be expanded to cover household products under a new agency to be known as the Consumer Safety Administration.

List at least five common misconceptions which consumers have about their rights and responsibilities in dealing with businessmen. Indicate why these are misconceptions and suggest methods of correction.

Collect and analyze clippings on legal cases taken from the newspaper or magazines.

Identify the legislative bodies at the various levels of government which may pass new laws or revise existing laws and select newspaper articles discussing the actions of these groups.

List sources of legal aid available to consumers. Interview representatives of these agencies for classroom discussion.

Discuss prevalent deceptive and fraudulent business practices and methods of avoiding such practices.

Listen to a representative from the Better Business Bureau or a consumer organization describe some of the prevalent fraudulent business practices that consumers in our area should know about and how this agency aids the consumer, and hold a question-and-answer period.

Write to the Federal Trade Commission, Washington, D. C., for a copy of their weekly releases, which report the agency's actions against violators. Make an oral report summarizing this material.

Visit a court in the community to witness trial proceedings involving civil cases between parties to a contract.

Analyze radio, TV, newspaper, and magazine advertisements for the amount of factual information versus appeals to emotion.

Write an essay on which of the Rights of Consumers

mean most to a teenager.

Analyze and discuss case studies which involve Conditional Sales Contracts, Elements of Contracts, and Bailments.

Describe the course of action the consumer would initiate when treated unfairly in a business transaction.

Research and report on a book which describes the consumer movement in America.

Instructional Materials

Lundberg, Ferdinand. *The Rich and The Super Rich.* Bantam Books, New York, New York, 1968.
Discusses the distribution of the wealth and how a relatively small number of wealthy people possess a great influence on the course of the times.

Margolis, Sidney. *Innocent Consumer Vs. the Exploiters.* Trident Publishing, Inc., New York, New York, 1967.
Discusses the common situations in which unscrupulous businessmen deceive consumers.

Nader, Ralph, et al. *What To Do With Your Bad Car.* Bantam Books, New York, New York, 1971.
This report discusses how to avoid buying a lemon and what to do when you get a lemon, which is a criticism of the industry practices which lay behind manufacturing defects.

Packard, Vance. *Waste Makers.* McKay, David, Company, Inc., New York, New York, 1960.
Discusses "planned obsolescense" as an ingredient in marketing.

Springer, John L. *Consumer Swindlers and How to Avoid Them.* Award Books, New York, New York, 1970.
Discusses methods of defrauding the consumer, and gives suggestions on how to avoid these practices.

Mouat, Lucia. *The Consumer Fights Back.* The Christian Science Publishing Society, Boston, Massachusetts, 1970.
Provides critiques of a number of articles of consumer interest which appeared in the *Christian Science Monitor.*

MONEY MANAGEMENT

Guidance is needed in developing ability to manage resources to achieve a type of living that reflects the individual's and family's goals and needs. The major objective for teaching money management is to maximize satisfaction through the development of understandings, knowledge, skills, and attitudes. Individuals and families need to learn to make rational rather than emotional decisions in determining how income and resources will be used in attaining both immediate and long-range goals.

Objectives

To help students:

- demonstrate how values, goals, and needs influence the use of personal and family income
- set priorities for personal and family needs, wants, and goals
- recognize the different kinds of resources used by individuals and families
- demonstrate the use of the decision-making process
- formulate an individual or family record-keeping system
- understand that at different periods in life, the individual and family finance plans change

Outline of Content

1. Recognizing factors affecting use of income by the individual or family
   - Values and goals
     - Definitions and identification
     - Factors affecting decisions
     - Variances in life cycle
       - individual
       - beginning family
       - expanding family
       - contracting family
   - Needs and wants
     - Definitions and identifications
     - Factors affecting decisions
     - Variances in life cycle
   - Changes in individual and family income
     - Factors affecting change
     - Variances in life cycle

2. Planning the use of individual and family income
   - Types of income
     - Money
     - Real
     - Psychic
   - Factors influencing use of income
     - Amount of income related to earning capacity
     - Use of income influenced by
       - goals, values, needs, and wants
       - occupation
       - location
       - stages of life cycle
       - health
       - cultural background
       - national economy
   - Planning use of money income for immediate and future goals
     - Recognition of goals and values
     - Study of past and present spending plans
     - Stages of life cycle
     - Objectivity and maturity in choice-making
     - Consumer credit

3. Developing financial management plans
   - Benefits from planning
     - Satisfaction gained from achievements
     - Growth in net worth
     - Provision for emergencies and periods of heavy spending
   - Decision-making
     - Steps involved include:
       - ascertain the important determining factor for decision
       - explore alternatives
       - anticipate consequences of various choices
       - make a selection
       - evaluate the choice
     - Record keeping
       - Uses
       - Types
       - Application
   - Factors affecting individual or family financial management plans
   - Changes in income
   - Changes in life cycle
   - Changes in values, goals, wants, and needs

Suggested Activities

Define values goals, needs, and wants. Role-play or use case studies to help students identify how these terms influence different individuals and families.

Problem solving—"If I Had $500, I Would"—Compare answers to show individual difference in values and goals.

Develop a bulletin board on decision-making.

Discuss—"With decisions comes responsibility."

Compile a list of resources to use in making financial decisions.

Resource persons for class presentation or interviews—a banker, business teacher, manager of a credit union or loan company, etc.

Present skit—"Where, Oh, Where Does My Money Go."

Debate pros and cons of having a financial plan.

Panel discussion with representatives of families at different stages in the family life cycle. Ask the representatives to tell what they believe are the major financial problems.

Listen to a symposium in which a banker, attorney, a savings and loan director, or representative of other financial agencies explain their views on the need for financial management planning. Discuss issues listed by these resource people.

Instructional Materials

Kimbrell, Grady, and Ben Vineyard. *Succeeding in the World of Work.* McKnight and McKnight, Bloomington, Illinois, 1970.

Presents plans for developing programs of spending. Includes problem-solving situations and types of forms to use in planning. pp. 153-203

Schoenfeld, David, and Arthur Natella. *The Consumer and His Dollars.* Oceana Publications, Inc., Dobbs Ferry, New York, 1971.

Describes how to develop one's money management plan. pp. 149-165

Starr, Mary Catherine. *Management for Better Living.* D. C. Heath and Co., Lexington, Massachusetts, 1968.

Presents a comprehensive plan for managing money and other income. pp. 338-420

Thal, Helen M., and Melinda Holcombe. *Your Family and Its Money.* Houghton Mifflin Co., Boston, Massachusetts, 1968.

Presents an individual and family approach to money management. pp. 65-122

Warmke, Roman, Eugene Wyllie, W. Harrmon Wilson, and Elvin Eyster. *Consumer Economics Problems.* South-Western Publishing Co., Chicago, Illinois, 1971.

Describes ways to develop financial plans. pp. 359-392

A Resource Kit for Teaching Consumer Education. Changing Times Education Service, Suite G 91, 1729 H Street, N. W., Washington, D. C. 20006.

Contains units on five different topics: earning, spending, borrowing, saving, and budgeting. Has accompanying teacher's guide.

Programmed Learning Instruction in Budgeting and Managing Money, Unit II. Delta Pi Epsilon Office, Gustavus

Adolphus College, St. Peter, Minnesota 56082.
One of a series of booklets in programmed learning instruction.

Your Guide For Teaching Money Management. Money Management Institute, Household Finance Corporation, Prudential Plaza, Chicago, Illinois 60601.
Booklet discussing values and goals, money management, and the consumer education topics.

The Rational Decision-Making Process. 3M Company, Visual Products Division, Box 3100 A, St. Paul, Minnesota 55161.
Color transparencies discussing the decision-making process.

Everybody's Money. CUNA International Inc., P.O. Box 431, Madison, Wisconsin 53701.
The Credit Union Magazine for Consumers.

CONSUMER CREDIT

Consumer credit is widely used in our economy. Business men urge its use to increase sales. They benefit from earnings on credit obligations of different kinds.

Consumers use credit too. They choose the type of credit best suited to their needs, basing their decisions on its special features and cost.

Both consumers and businessmen are regulated by laws in their use of credit.

Objectives

To help students:

- ☆ understand what consumer credit is and its relationship to our economy
- ☆ know the requirements for establishing and maintaining a good credit rating
- ☆ be acquainted with the types and sources of consumer credit
- ☆ learn the cost of credit and its legal obligations to credit users
- ☆ recognize and evaluate the provisions of consumer credit agreements
- ☆ develop the ability to use credit intelligently
- ☆ become familiar with the laws that govern consumer credit

Outline of Content

1. Problems in credit use
   - What is credit?
   - When should it be used?
   - How much should be used?
   - What are its costs?
   - What are its advantages?
   - What are its disadvantages?
2. Consumer credit in our economy
3. Opportunity costs
   - Money due to future credit obligations is not available for current spending
4. Credit credentials
   - Credit rating—character, capital, capacity
   - Credit bureaus
5. Using consumer credit wisely
   - Slect the kind of credit to suit the purpose
   - Shop for credit

Look for truth-in-lending information
Consider the future of the economy—inflation, unemployment
Take no more debt than can be safely carried
Understand all credit instruments before signing
Pay debts as per agreement

6. Types of consumer credit
   - Installment
   - Noninstallment

7. Forms of consumer credit
   - Sales and service credit
     - Regular charge account
     - Revolving charge account
     - Installment plan
       - debt owed to merchant
       - debt owed to third party
     - Cash credit
       - personal installment loan
       - single payment loan
       - check credit plans

8. Sources of consumer credit
   - Sales credit
     - Retail store
     - Third party lenders
     - Sales finance companies
   - Cash credit
     - Commercial banks
     - Savings and loan associations
     - Consumer finance companies
     - Credit unions
     - Life insurance companies
     - Pawn brokers
   - Unlicensed
     - Loan sharks
     - Others

9. Methods of figuring costs
   - Add-on interest method
   - Discount method
   - Charge on declining balances
   - Dollar cost method
   - Annual percentage method

10. Provisions of consumer credit agreements
    - Retail installment contract
    - Promissory note
    - Chattel mortgage
    - Collateral note
    - Co-signer
    - Wage assignment

11. Other provisions of consumer credit agreements
    - Acceleration clause
    - Add-on clause
    - Balloon payment
    - Confession of judgment clause
    - Default
    - Insurance
    - Prepayment
    - Others

12. Consumer credit laws
    - Illinois Small Loan Law
    - Illinois Consumer Fraud Act 1961
      - Amendments 1967
    - Illinois Retail Installment Sales Act 1967

Federal Consumer Credit Protection Act 1969
Federal Fair Credit Reporting Act 1971

Suggested Activities

Obtain for each student a copy of the student problem book, *Accepting Credit Responsibility*. This booklet is free to Chicago Public and Private Schools from the Continental Illinois National Bank and Trust Company, as #2 of their Financial Educational Program, 1970. It is also available to other schools through local banks who must acquire them from the Continental Bank. The work-study booklet contains 80 pp. which supply several credit forms, and a variety of student activities including study guides, cases, problems, etc. A teacher's guide should be ordered.

Obtain for each student a copy of the student booklet, *It's Your Credit, Manage it Wisely*, by Household Finance Corporation. The accompanying pamphlet, *Your Guide for Teaching Consumer Credit*, provides concepts, generalizations, questionnaires, pretests, cartoons, quotations, suggested learning experiences, open end situations, group projects, and credit forms.

Obtain copies of *Programmed Learning Instruction in Using Consumer Credit Wisely* by Delta Pi Epsilon.

If it is not possible to obtain one or all of the three booklets, these student activities may be used:

Survey local stores in the community to determine implications of the saying, "charge it." What is the extra cost if bills are not paid promptly? What are the costs and obligations of revolving charge accounts and installment plans?

Role-play a lesson in which a family is unable to meet its credit obligations. What alternatives are available in solving the financial problem?

Develop a case study involving borrowing money for a purchase. Ask four students to take this problem to four different lending agencies; such as, commercial bank, consumer finance company, credit union, and life insurance company. Compare the percentage of credit costs. Investigate reasons given for differing costs. Discuss the advantages and disadvantages of borrowing from each agency.

Instructional Materials

Credit Matters. Department of Consumer Sales, Weights and Measures, Chicago City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602.

Explains simply and pictorially credit, its uses, costs of different kinds, credit laws, and contracts.

Your Protection Against Fraudulent Sales, Advertising, Loans. Attorney General's Consumer Fraud Division, 160 N. LaSalle Street, Chicago, Illinois 60601. Also Supreme Court Building, Springfield, Illinois.

A six-page leaflet listing common frauds and how to avoid them.

A Resource Kit for Teaching Consumer Education II. Changing Times Education Service, 1729 H. Street, N. W., Washington, D. C. 20036

Borrowing section has a variety of teaching aids for the inexperienced consumer education teacher.

Programmed Learning Instruction in Using Consumer Credit Wisely. Delta Pi Epsilon National Office, Gustavus Adolphus College, St. Peter, Minnesota 56082.

One of a series of booklets in programmed learning instruction.

It's Your Credit, Manage It Wisely. Money Management Institute, Household Finance Corporation, Prudential Plaza, Chicago, Illinois 60601.

A pamphlet describing the many facets of credit.

Accepting Credit Responsibility. Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, 1970.

A publication to be used to reinforce relationships and concepts regarding credit. Materials include a teacher's guide and student problem books.

HOUSING

Effective use of the consumer's housing dollar to achieve the greatest satisfaction involves more than just securing a place to live. Today's consumer must be aware of his housing needs, his legal responsibilities, his financial obligations, his insurance options, his community influences, and develop the skills necessary to understand the housing marketplace, its fluctuations, demands, and alternatives if he is to utilize his housing dollar to the best advantage.

Objectives

To help students:

- ☆ understand individual needs and preferences in housing
- ☆ recognize the alternatives available regarding housing choices
- ☆ understand the legal obligations and responsibilities in relation to housing
- ☆ recognize the factors which influence housing choice-making
- ☆ understand the factors influencing cost of housing and methods and sources of financing
- ☆ create an awareness of contemporary social and economic problems as they affect the housing marketplace

Outline of Content

1. Needs and preference in housing
   - Family lifestyle
     - Age and number of members
     - Mobility
   - Employment
   - Psychological and physical considerations
   - Community facilities and services
     - Schools
     - Shopping centers
     - Fire and police protection
     - Public transportation
2. Alternative choices in housing and characteristics of each
   - Single dwelling
   - Multiple housing
   - Row or town house
   - Condominium
   - Mobile homes
   - Public housing
3. Factors influencing cost of housing
   - Costs of owning
     - Initial costs
       - down payment
       - closing costs

- Continuing costs
  - taxes
  - insurance
  - operating costs, maintenance, and repairs
- Other costs
  - assessments
  - uninsured losses

- Costs of renting
  - Initial deposit
  - Monthly outlay
  - Operating costs
  - Insurance

- Other factors in housing costs
  - Heating and air conditioning
  - Construction methods and materials
  - Zoning
  - Transportation
  - Urban, suburban, rural
  - Public services and facilities
  - Relocation or moving costs

4. Factors which affect housing choices
   - Family size
   - Supply and demand
   - Attitudes of property owners and renters
   - Future city planning
   - Alternative choices
   - Redevelopment projects
5. Methods and sources of financing
   - Specialists in finding and finalizing house purchasing
     - Realtors
     - Appraiser
     - Tax assessors
   - Sources of financing
     - Savings and loan associations
     - Commercial banks
     - Finance companies
     - Life insurance companies
     - Friends and relatives
     - Government insured loans
       - conventional
       - F.H.A.
       - land
       - buying on contract
6. Understand the legal aspects of protection for the home owner and renter
   - Legal responsibilities
   - Property and liability insurance
7. Contemporary, social, and economic problems in housing
   - State and local legislation
     - Building codes
     - Zoning
   - Community planning
   - Public housing projects
   - Housing for the elderly
   - Sharing the cost of public housing
   - Substandard housing
   - Pollution
   - Communal housing
   - Discrimination in housing

22 ***Suggested Activities***

Using a floor plan, have students determine the mini-

mum housing needs for families in different stages of the life cycle.

Survey the class to determine: (1) the kinds of housing units currently being occupied by students; (2) the length of time they have resided there; (3) the types of housing units the student has occupied; (4) the number of times the student has moved; and (5) the student's personal preference. Chart the information obtained to indicate mobility of the community and as a survey of available housing units.

Interview the city planning commission, building inspectors, local government personnel, and the zoning commission to determine the types of information recorded and used in making long-range decisions.

Research and report on the local building codes and zoning laws. Use the material from this report for a debate on the relative merits of zoning laws and building codes.

Conduct field trips to observe a variety of home construction methods and types of housing units.

Video tape a variety of homes under construction and discuss the video tape in class.

Debate the advantages and disadvantages of renting and buying.

Demonstrate the different home construction methods including the comparison and contrast of initial and continuing costs.

Invite local contractors to discuss their views on construction methods and costs as each affects the total price and the financing of the housing unit.

Invite a real estate agent or a savings and loan officer to discuss the fluctuation of housing costs over the last ten years.

Select several common home repairs to determine the costs when: (1) using a professionally trained repairman; (2) do-it-yourself; and (3) employing an unskilled person (handyman). When would each course of action be taken?

Compare commercial versus government-insured home financing as to availability, interest rates, building requirements, advantages, and disadvantages.

Investigate the sources of home insurance available to the local consumer. Prepare a chart showing the types of policies available, requirements for the geographical area, and the relative costs.

Invite a local attorney to discuss the legal responsibilities of the homeowner and renter.

Study local building codes and the provisions for their enforcement. Invite contractors, trade unions, and local government officials to discuss the validity of existing sat

Conduct a walking field trip through the neighborhood to observe how the local community is observing good ecology principles.

Divide the class into small groups and have each group investigate the initial and continuing costs of different housing units.

Invite the industrial arts teacher to show the class the various steps in building a housing unit.

Present a symposium on home financing with each student on the symposium representing the views and policies of a source of home financing available within the community.

Arrange a panel discussion of two young couples who have recently moved into the community, asking them to relate their experiences concerning how they moved and the problems encountered.

Interview citizens of the community to identify housing problems. Invite local government representative to discuss these problems.

Instructional Materials

"Fair Play in Housing." Public Affairs Pamphlet, Number 396, Public Affairs Committee, 381 Park Avenue South, New York, New York 10016, 1966.
This is a frank discussion of the rights and responsibilities of the renter, buyer, and seller.

"How to Finance Your Home." Public Affairs Pamphlet, Public Affairs Committee, 381 Park Avenue South, New York, New York 10016, 1966.
Directed toward the young consumer, this pamphlet gives suggestions in purchasing a home.

"Home Buyers Check List." Local Savings and Loan Associations. 221 North LaSalle Street, Chicago, Illinois.
This pamphlet provides the home buyer with an easy-to-use check list when considering the purchase of a home.

"Housing: A Major Family Expense." Education Department, CUNA, Box 431, Madison, Wisconsin.
A discussion of the steps inolved in the selection of a home.

"Home Mortgage Insurance." U. S. Department of Housing and Urban Development, Washington, D. C. March, 1970.
A concise discussion of the use and purchase of home mortgage insurance.

"HUD-FHA Assisted Programs for Houses Built for Sale to Lower Income Families." U.S. Department of Housing and Urban Development, Washington, D.C. March, 1970
This is a one-page leaflet explaining the requirements for Section 235, National Housing Act.

"Your Housing Rights." U.S. Department of Housing and Urban Development, Washington, D.C. March, 1970.
This pamphlet contains an explanation of the individual's civil rights in the housing marketplace.

"Your Housing Dollar." Money Management Institute, Household Finance Corporation, Prudential Plaza, Chicago, Illinois, 1966.
A descriptive account of the factors to be considered in selecting a housing unit.

"Your Home Buyer's Guide." American Bar Association, 4248 South Second Street, Springfield, Illinois, 1969.
A concise discussion of some of the pitfalls to avoid concerning contracts, financing, titles, and closing in making a home purchase.

Teacher Reference

DeBenedictis, Daniel. *Laws Every Homeowner and Tenant Should Know*, Cornerstone Library, 1968.
This book provides information on the social, economic, and historical development of American housing.

FOOD

Today's consumers regularly spend a substantial portion of their income on food purchases. The wise use of the dollar is dependent upon the consumer's ability to evaluate available products; ascertain the family's needs and wants; and to plan food purchases. The consumers' ability to rec-

ognize and control the factors which affect choice-making will result in wiser use of the consumer's income and achieve greater satisfaction for the individual and family.

Objectives

To help students:

- become aware of the factors affecting food purchases and prices
- evaluate the services and merchandising practices of the retail food outlet
- understand and use food packaging, processing, grades, and labels as buying guides
- become aware of sources of consumer information and protection
- utilize available resources and management skills in spending the food dollar to achieve maximum satisfaction

Outline of Content

1. Factors influencing family spending for food
   - Values, goals, and standards
   - Number, age, and sex of the family members
   - Cultural and social heritage
   - Buying habits and eating patterns
   - Equipment and storage available
   - Knowledge of food preparation skills
   - Available resources
   - Family life style
   - Employment and recreational needs
   - Nutritional requirements
   - Food stamps
2. Establishing wise buying habits
   - Use appropriate package size
   - Prepare shopping lists
   - Preplanning menu
   - Utilize informational advertising
   - Read labels
3. Evaluating and utilizing changes taking place in the food industry
   - Convenience foods
   - Synthetic foods
   - New processing and packaging of foods
   - Food additives
4. Evaluating the retail food outlet
   - Motivational influences on the consumer
   - Social influences on the consumer
   - Elements affecting food pricing
   - Sources of food purchases
   - Merchandising practices
   - Auxiliary services
5. Informing and protecting the food consumer
   - Publications
   - Government agencies
     - Federal Trade Commission
     - Food and Drug Administration
     - U.S. Department of Agriculture
     - Illinois Department of Agriculture
     - Illinois Department of Public Health
     - County Extension Agent
     - County Welfare Agencies
   - Legislation
     - Wholesome Meat Act

Fair Packaging and Labeling Act
Food, Drug and Cosmetic Act
Federal Hazardous Substances Act

Ecology

Suggested Activities

Survey the typical diets of the class by having each student keep a record of all the food consumed for a period of time. From this information compile a typical teen diet. Discuss the influences on teenage eating habits.

Using the typical diet, determine if the young consumer is observing good nutritional habits. Discuss how the human body might be affected if these diets are continued over a period of years.

Have the school or hospital dietician talk to the group about the effect of diets on the human body.

Plan a menu for one week to determine: (1) the cost if each meal was eaten in a restarurant, (2) the cost if all meals were prepared at home using the convenience foods, and (3) the cost if each meal was prepared at home with no convenience foods.

Collect advertisements from various retail food outlets to ascertain: (1) the amount of factual information given, (2) the motivational influences used, and (3) the percentage of valid "sale" items.

Chart the flow of food from the farmer to the consumer. How do the steps and changes that take place in the food affect the final cost to the consumer? Invite an agriculture teacher or county extension agent to tell the farmer's side of food pricing.

Using either a panel or symposium composed of the county extension agent, a consumer, a retail food owner, and a student, discuss how the consumer is being informed and aided in purchasing food products.

Diagram the floor plan of serveral food outlets to determine how the consumer is influenced in making food purchases.

Debate the topic: Is shopping by brand loyality a good shopping habit?

Using one food item, prepare a display of all the ways this food might be packaged and sold. (Example: fresh, frozen, canned, dried, etc.) Relate preparation and processing methods to the ultimate use of the food item.

Make a collage of labels and conduct a comparison study of the information contained on them. Call attention to the contrast between pet food product labels and labels on food products for human consumption.

Discuss: The relative merits of the food stamp programs versus commodity foods and the requirements for participating in each.

Demonstrate various ways of using a commodity food in the family menu.

Make a collection of food containers to ascertain how the Fair Packaging and Labeling Act is being implemented.

Arrange a panel discussion of the advantages and disadvantages of organic foods.

Develop a consumer information center containing information collected from various agencies and organizations.

Have the class prepare a newspaper column to keep the

students informed about current legislation, consumer problems, and agencies which will aid the consumer.

Prepare exhibits, posters, display cases, skits, and programs to alert the consumer about the importance of observing good ecology principles.

Discuss the pros and cons of unit pricing.

Plan a field trip to a variety of food outlets to investigate the: (1) advantages and disadvantages of "one-stop shopping" and its effect on the food dollar, (2) information on brand and store labels and their use, (3) variety of synthetic and convenience foods currently on the market and their use, and (4) comparative costs of staples in various stores.

Instructional Materials

"How to Buy Food." U.S. Department of Agriculture, Washington, D.C., 1969.
This packet contains individual leaflets illustrating good buying tips for each food group.

"How to Be A Better Shopper." The Sperry and Hutchinson Company, 3003 East Kemper Road, Cincinnati, Ohio 45241, 1966.
Free for classroom use, this pamphlet discusses good shopping manners, using can sizes to suit the purpose, and wise buying habits.

"How You Can Cut the Cost of Food." National Canner's Association, 1133 - 20th Street, NW, Washington, D.C.
This is a brief pamphlet written in easy-to-read language with cartoons illustrating wise hints on food buying habits.

"How the FDA Works for You." U.S. Departments of Health, Education, and Welfare, and Food and Drug Administration, Washington, D.C.
A brief pamphlet describing the protection given the consumer by the FDA.

"It's on the Label." National Canner's Association, 1133 - 20th Street, NW, Washington, D.C.
A one-page leaflet showing the information required and how the consumer should read a label.

"Your Food Dollar." Money Management Institute, Household Finance Corporation, Prudential Plaza, Chicago, Illinois, 1966.
This pamphlet and its accompanying filmstrip, "Spending Your Food Dollar," illustrates ways to use the food dollar to obtain greater satisfaction.

Programmed Learning Instruction in Buying Food. Delta Pi Epsilon National Office, Gustavus Adolphus College, St. Peter, Minnesota 56082.
This is part of the programmed learning series for the student in buying.

Teacher Reference

Cross, Jenifer, *The Supermarket Trap.* Indiana University Press, Bloomington, Indiana, 1970.
This book presents information on the various methods used to obtain the consumer's food dollar.

TRANSPORTATION

In our mobile society one of the greatest expenses undertaken by the consumer is the purchase and use of transportation. The cost to the consumer of traditional transportation modes (car, bus, train) has risen. The cost of the less traditional transportation modes has decreased in a relative and, in some cases, in a real

sense. The result of these cost changes has been to increase the number of choices which confront the transportation shopper. To make the best decision, the consumer should be equipped with more than just the various price tags. The automobile continues to be the predominate form of transportation in the United States and represents the second largest purchase a consumer is apt to make with his income. The consumer needs to understand the complexities of the selection of an automobile and its maintenance and operation.

Objectives

To help students:

- ☆ identify the alternative means of transportation which are readily available and determine the relative advantages and disadvantages of the different transportation modes
- ☆ determine their transportation needs with regard to usage patterns, operation costs, maintenance costs, and storage fees
- ☆ understand the methods of financing the various alternative transportation modes
- ☆ distinguish between needs and desires before making a final selection of a type of transportation
- ☆ develop a sound understanding of the method used to compare differing transportation modes in order to get honest comparison of their relative costs
- ☆ understand the different requirements of various types of transportation with regard to financing, insurance, safety, convenience, and maintenance
- ☆ be aware of the various social costs which are created by alternative means of transportation; i.e., pollution, noise, and safety
- ☆ recognize the importance of counting a person's time as a cost of alternative transportation modes
- ☆ realize the magnitude of the portion of their income which would be used for the purchase of an automobile
- ☆ be aware of the care needed in the efficient and economic operation of an autobobile
- ☆ recognize that as much care should be taken in shopping for automobile financing as is taken in the shopping for the car itself

Outline of Content

1. Major forms of transportation available for the residents in a specific geographical area
   - Rail
   - Bus
   - Car
   - Air
   - Mass rapid transit
   - Cycle
2. Determining the form of transportation which provides the consumer with the maximum satisfaction for the dollar spent
   - Best use of total income
   - Calculation of the cost per mile of various transportation modes
     - Fixed costs—depreciation and lost interest on capital invested
     - Variable costs—gas, oil, battery,

person's time

Fixed Costs + Variable Costs = cost per mile
Mileage to be traveled

3. Noneconomic factors in the selection of transportation modes
   - Style
   - Status
   - Comfort
   - Convenience
4. Different types of travel require different types of transportation
   - 100 mile trip
   - 1,000 mile sightseeing trip
   - 1,000 mile destination
   - Commuting to work
5. Costs which might be missed when assessing the various transportation modes

   Car
   - Parking
   - Personal property tax
   - Insurance liability
   - Repair costs
   - New vs. used car
   - Storage
   - Time

   Rail
   - Cab fare
   - Time
   - Tips
   - Meals

   Air
   - Cab fare
   - Car rental
   - Insurance
   - Time

   Bus
   - Time
   - Insurance
   - Meals

   Motorcycle
   - Parking
   - Taxes
   - Insurance liability
   - Repair costs
   - New vs. used
   - Safety equipment

6. Selection, purchase, and ownership of an automobile

   The selection process
   - Needs vs. desires
   - Performance standards
   - Testing agencies
   - Pricing and price comparisons
   - New vs. used

   The payment source
   - Dealer supplied financing - GMAC
   - Personal loan financing
   - Bank
   - Credit union
   - Other

The responsibilities and requirements for ownership
Insurance (See section on Insurance)
Maintenance

Suggested Activities

Make a survey of the transportation modes in the area and the approximate percentage of the population using each type of transportation.

Develop a form for comparing the total cost of one type of transportation to the total cost of another type of transportation.

Obtain rates for various types of transportation for a trip from Chicago to St. Louis and select the appropriate means of transportation which would give his family the best use of their dollar.

Prepare a bulletin board depicting the various economic advantages and disadvantages of alternative means of transportation.

Obtain from community financial sources the specific costs of financing varying types of transportation and report the results to the class.

List the advantages and disadvantages of new or used cars or motorcycles.

Visit a travel agent and discuss the various rates charged for different means of transportation and report back to the class.

Have an official of the local cab company talk to the class about the operation of his company and how they figure the cost of operating cabs.

Interview a local service station manager and discuss the costs of maintaining an automobile and the specific care which is needed to get the most out of your car dollar.

Ask a local insurance man to discuss the insurance costs for various types of transportation, the protection a consumer should have with each type.

Have the class divide into groups and discuss situations in which the car, plane, bus, train, or cycle would or would not be the form of transportation which would provide maximum satisfaction for the consumer's transportation dollar.

Pretend you are operating the family car as a taxi for the exclusive use of your family. How much would you have to charge per mile to cover all costs? Be sure you include all costs such as implicit costs (driving time, depreciation, lost interest on capital invested or interest on installments) and out-of-pocket costs (repairs, insurance, licensing, personal property tax, gas and oil). How could this method be used on other means of transportation? Of what value is this method in helping make choices as to what to buy? Why do businessmen go through a similar process?

Ask your parents or an auto dealer or someone you think knows a great deal about car costs what the following costs are for the average car. (Note: Many auto mechanics who know a great deal about how cars operate, know little about car costs.)

(a) gas and oil
(b) personal property tax on the car
(c) license plates
(d) adequate liability insurance including medical payments and comprehensive

(e) insurance coverage for a man under 25
(f) insurance coverage for a woman under 25
(g) How much does a new car depreciate in two years?
(h) if you bought a two-year-old car and kept it two years, how much would it depreciate in the two years you owned it?
(i) How much would the finance charges be for a 6% add-on-loan for $3,000 to be paid over three years?
(j) sales tax on depreciation
(k) lost interest on capital invested if you pay $3,000 cash

What is the cost of replacing the following (including installation) on the average car:

(a) battery
(b) shocks (front and rear)
(c) new brakes
(d) generator
(e) tune up, including spark plugs, oil change, etc.
(f) muffler and tail pipe
(g) tires - set of four

Instructional Materials

Consumer Reports. Annual Buying Guide and Annual Automobile Issue. Consumers Union of U.S., Inc., 256 Washington Street, Mount Vernon, New York 10550.

A valuable resource for comparison of automobiles

Cost of Car Operation Study. American Legal Association, 1047 Commonwealth Avenue, Boston, Massachusetts 02215.

Informative presentation of the "true" cost of car operation.

Cost of Operating an Automobile. (Annual) U.S. Department of Transportation, Federal Highway Administration, Washington, D.C.

Yearly summary of car costs in United States.

Purchasing and Maintaining an Automobile. New York State Council on Economic Education, State University of New York at Albany, 135 Western Avenue, New York 12203 (14 pages).

Pamphlet on the procedures of purchasing an automobile.

Chamberlain, Neil W., (ed.) *Contemporary Economic Issues.* Section 5, "Current Issues in Transportation," William Vickery, Richard D. Irwin Inc., Homewood, Illinois, 1969.

Readings in economics which deals with alternative transportation modes and their costs.

Committee for Economic Development, Developing Metropolitan Transportation Policies: A Guide for Local Leadership. Statement on National Policy by the Research and Policy Committee of the Committee for Economic Development, April, 1965.

Survey of transportation costs and alternative transportation proposals for urban areas.

CLOTHING

Contemporary society places an increasing value on the individual, the individual's personal needs and wants, and desires for self-expression. "Freedom to choose" and "personal lifestyle" are key phrases in the lexicon of to-

day's young. It is of great importance to these young people that they be accepted by their peers and the choice of the "right" clothing is frequently seen by the young as a major factor in this acceptance. In the marketplace, and especially in the clothing store, this trend is reflected in an accent on "style."

Today's young people also select their clothes with less and less help. Students need training in the principles of good buymanship. If the principles of planned buying and decision-making are learned during the early years, students will have a solid background to support them in dealing with the proliferation of styles, the pressures of family and peer group, and their own changing tastes as they grow toward maturity.

Objectives

To help students:

- develop the ability to identify and analyze their personal values and needs in relation to the clothing they wear
- develop the ability to plan, select, and finance a wardrobe that will meet their individual needs
- realize that clothing can be functional and attractive and still be in fashion
- appreciate the importance of proper care and repair of their clothing, both for appearance and to help stretch clothing money
- understand how to judge quality in clothing by paying attention to construction, fabric, finishes, and design
- evaluate price values at seasonal or specially advertised sales in order to know when price should be a factor in purchasing
- understand the use of credit when buying clothes
- become familiar with consumer information sources in order to keep informed and develop better buymanship practices

Outline of Content

1. Wardrobe planning
   - Individual needs and wants
   - Values and goals
   - Available income—how to stretch
   - Other resources—sewing skills, gifts
2. Clothing selection
   - Principles of design, line, color, texture
   - Fashion versus fads
   - Fiber, fabric construction, finishes
     - Natural
     - Synthetic
     - Woven
     - Knit
     - Wash and Wear
     - Permanent press
   - Psychological and social values
     - Dress of peers
     - Social status
     - Dressing for job
     - Mobility
3. Buymanship
   - Buying practices
   - Factors determining price
     - Quality of construction

Quality of fabric and finish
Seasons—special holidays, special sale days
Store differences—department, specialty chain, discount shopping center
Services offered—sales help, self-help, parking, etc.
Geographic location
Supply
Demand

Comparative costs
Buying ready-made
Making some or all of your own clothing

Knowledge of sizes

Method of payment
Cash
Credit

Use of buying aids
Brand names
Trademarks
Tags
Labels
Guarantees
Advertisements
Consumer publications

Sources of consumer information and protection
Wool Products Labeling Act
Fur Products Labeling Act
Flammable Fabrics Labeling Act
Textile Fiber Products Identification Act
The Federal Trade Commission
The USA Standards Institute (American Standards Association)
United States Department of Agriculture
The National Retail Association
The National Institute of Dry Cleaning
Consumers Research
Consumers Union of the United States
American Home Economics Association
Better Business Bureau
Legal Aid Society
Attorney General's Office
Family Service Bureau

4. Care and maintenance
Daily, weekly, and monthly care
Laundering—professional and coin
Dry cleaning—professional and coin cleaner
Performance of fibers and finishes with home care
Seasonal care and storage
Minor repairs
Major alterations—recycling

Suggested Activities

Develop a student information form to be answered and not signed, seeking such information as:
Family composition—number—age—those employed
Family activities in and outside of the home
Individual activities in and outside of the home
Approximate family clothing budget (student's own clothing budget)
Approximate amount of new clothing purchased each year, for whom? (or self)
Approximate amount bought for need, want, or because someone else had it

Method of purchasing used by family or self; e.g., cash, credit, lay-a-way or other

Number of times clothing purchases were postponed because of other needs, (family or personal [if student is employed] emergencies)

Influences affecting family purchases such as: advertising, sales, various types of media, peers of family members

Long-range plans of family or self

Discuss how cultural differences, personality and value differences may influence choices of clothing within a family unit. Decide what basic clothes are essential for everyday living for: (1) high school or college student, (2) first year on a job, (3) new baby, (4) businessman, (5) housewife, and (6) a retired businessman.

Name the ways in which a person could supplement a clothing budget by using other resources. Calculate the cost of making a winter coat, taking into consideration the following:

1. cost of fabric and findings
2. time involved
3. cost of labor

Compare cost of making with the price of buying a ready-to-wear coat of comparable fabric and workmanship. In comparison, is saving, if any, comparable to time and labor involved in making your own? Decide if making the coat in this case is an advantage or disadvantage.

Give specific examples where making an item can be counted as an actual resource to stretching income.

Discuss what values would influence your spending if you were given $50 and had three choices of how to spend it. How would you spend the $50 if told that you could buy only one of your choices, how would you decide which one?

View films and filmstrips on wardrobe planning and selection. Following viewings, discuss principles of budgeting for clothes.

Factors determining how much is spent
What is gained by planning
Why lifestyles are important to planning and choice making

Invite resource person from retail store to bring samples of clothing and give a talk on buying clothing for the winter, spring, or fall season; what to look for, how to read tags and tickets, labels on garments, and factors involved in pricing.

In committees of three, investigate and obtain information on the various types of credit plans available for buying clothes at department, chain, specialty, and catalog order stores. Report and discuss in class. Explain how each of the common forms of credit is used to meet different needs. Tell which form of credit you would use for each of the following:

Suit and coat
Pair of shoes
Hosiery and gloves

Figure the cost of credit on a coat priced at $50, bought on a revolving charge or installment account making $10 payments per month. Which account would you recommend for a person of limited income to use?

Discuss ways to judge quality in clothing.

Comparison shop a well-known blouse or shirt versus a

lesser-known brand name at a medium price level. In committees, visit a department store, specialty shop, chain store, discount house, catalog order store. Evaluate results. How did prices vary in a chain or discount store in comparison to a neighborhood independent store?

Research law requirements on labels for certain textiles. Prepare a list of labeling laws which protect the consumer.

Investigate and list for class reference: Federal, local, and community organizations where consumers may seek information and help with consumer clothing problems.

Simulate a department store claim adjustment department. Customers are returning merchandise for three different claims of damage: (1) shrinkage, (2) hole in shirt from pressing, and (3) leaking boots. Role-play customer's and clerk's attitudes for both right and wrong approaches. Discuss and write correct procedure to follow for making claims for adjustment. List responsibilities of consumer as well as merchant retailer. Collect ads from magazines and newspapers. Make a display showing informative and noninformative ads. Discuss and write what information, in your opinion, should be given in a newspaper ad, TV commercial, or radio advertising.

Develop a care and maintenance chart for daily, weekly, and monthly care of clothing after wearing. Show seasonal care and storage facts. Investigate and compare professional dry cleaning and laundering costs versus do-it-yourself coin-operated dry cleaning and laundering. Obviously, there is a saving in coin-operated services. Relate factors when professional services may be a saving to use in spite of lower costs of do-it-yourself services.

Take a field trip to a dry cleaning establishment to learn about spot removing, cleaning, and pressing techniques.

Give class demonstration of performance of fibers and finishes, following label instructions for care. Make tests of dry cleaning elements on a variety of fabric finishes.

Study and obtain samples of woven, knotted, and novelty weave fabrics. Show performance, approximate wearing time, and care.

Hold a panel discussion on aid and protection of the following agencies:

American Institute of Laundering
Better Fabric Testing Bureau
Consumers Research
Consumers Union of the United States
National Consumer Retailer Council

Give suggestions as to how consumers should be informed of the aid and protection given by agencies or organizations.

Instructional Materials

Illinois Teacher for Contemporary Roles, Vol. XIV, No. 6, July-August, 1971. Home Economics Education, University of Illinois, Urbana, Illinois.

Selecting Teen Fashions, Selecting Infants' and Children's Clothing, Fashion filmstrip and *Kaleidoscope* magazine (issued each Spring and Fall). Consumer Information Services, Sears, Roebuck and Co., Dept. 703-Public Relations, Chicago, Illinois 60611.

Managing Your Clothing Dollars. Money Management Institute, Household Finance Corporation, Prudential Plaza, Chicago, Illinois 60601.

Garrett, Pauline G., and Edward J. Metzen. *You Are A Consumer of Clothing.* Ginon and Company, Boston, Massachusetts; 1967.
An aid to developing competence as a consumer of goods and services in a modern economic society.

Dunn, Lucille, and Annetta Bailey, and Wanda Vansickle, Ph. D. *Steps in Clothing Skills.* Charles A. Bennett Co., Inc., Peoria, Illinois: 1970, Chapters 11, 12, 13, and 14:
"Your Wardrobe 'Inventory'"
"When You Shop"
"Clothing Care - The Easy Way"
"Storage Know-How"

Wingate, Isabel, B. *Testile Fibers and Their Selection.* Prentice-Hall, Inc., Englewood Cliffs, N.J. 1970, Sixth Edition.
Give fabrics, their composition, performance, care, and criteria for selection.

Craig, Hazel T. *Clothing: A Comprehensive Study.* J. B. Lippincott Company, Philadelphia, Pennsylvania, 1968.
Recognizes social and technological changes which influence choice-making in clothing selection.

Fashions and Fabrics. Educational and Consumer Relations, J. C. Penney Co., Inc. New York, New York, New York 10012.

TIPS: A Handbook. Market Development Distribution Department, National Association of Manufacturers, 277 Park Avenue, New York, New York 10017.
Information on consumer products and services.

HEALTH SERVICES, DRUGS, AND COSMETICS

Adequate health is vital to physical, psychological, emotional, and social fitness. Dollars spent to reach the goals of the best possible health are profitable investments not only in ourselves and our families, but also in the overall vitality and strength of our communities and our country. Medical science has made startling advances in controlling disease and promoting good health for everyone. Costs for medical care and the maintenance of good health continue to rise in the United States. These rising expenses make it clear that a financial plan to cover health costs is both helpful and necessary.

Many products and services that involve the health and welfare of individuals are available. What good health is and how it is achieved through the use of these products and services should be a concern of all.

Consumers spend a substantial portion of their income on cosmetics and beauty aids. To achieve maximum satisfaction, consumers must exercise sound judgment in the purchase of these products.

Objectives

To help students:

- ☆ understand suggested health practices for each stage of the life cycle
- ☆ identify ways to help build and preserve the best possible health

- ☆ know where and how to obtain professional advice and treatment
- ☆ develop guides to use in selecting professional services and facilities
- ☆ understand the alternatives available in paying for health services
- ☆ recognize that a financial plan to cover health costs is both helpful and necessary
- ☆ utilize health services and information available at little or no cost; such as, community health agencies, local or state health departments, welfare departments, professional organizations, and societies
- ☆ become aware of and evaluate supplementary health aids that are available on the market today
- ☆ become aware of fraudulent health practices and products
- ☆ understand factors that influence the buying of drugs and cosmetics
- ☆ recognize that drugs are potent substances that may help or harm the body

Outline of Content

1. Maintaining good health
   - Definition—physical, psychological, and social well-being
   - Inherited traits
   - Physical fitness
   - Balanced diets
   - Regular examination
   - Mental and emotional stability
   - Social well-being
2. Selecting health services
   - Medical care
   - Dental care
   - Physical activity
   - Satisfying work
   - Play and recreation
   - Rest and relaxation
   - Nutrition
3. Planning for health care
   (See section on Insurance)
4. Choosing medical care services
   - Choosing a physician, dentist, or other professional personnel
     - Qualifications
     - Location of office
     - Fees, costs, and payment methods
     - Hospital affiliation
   - Selecting hospital services
     - Rooms—private, semi-private, multiple
     - Rates
     - Facilities
   - Using community and tax-supported health services
     - Treatment and out-patient clinics
     - Homemaker health aid services
     - Community mental health centers and hospitals
   - Diagnostic Clinics
     - TB
     - Cancer
     - Defective eyes

Defective teeth
Others

5. Sources of information and protection
   - Government agencies
     - Illinois
       - Department of Education and Registration
       - Department of Public Aid
       - Department of Mental Health
     - Other state, federal, and local agencies
   - Professional associations
     - Illinois Medical and Dental Associations
     - Other national, county, and local associations
   - Other health associations and societies
     - Cancer
     - Heart
     - Muscular Dystrophy
6. Drugs—prescription and over-the-counter
   - Use and misuse
   - Safety of drugs
   - Drug records
   - Storage of drugs
   - Buying of drugs
7. Cosmetics
   - Essential
   - Supplementary
   - Mass media influence
   - Selection—essential vs. nonessential
     basic vs. supplementary
8. Deceptive and fraudulent practices in health and medical care
   - Health aids
   - Unlicensed practitioners
   - Health quackery
   - Deceptive and unethical selling practices
   - Unapproved health aids and devices

Suggested Activities

A study of federal, state, city, and county public and private health services available in the community, listing services performed, who performs them, and whether they are public or private.

Investigate the procedure in your community for obtaining the emergency services listed below. Secure the proper telephone numbers and check to make sure that these numbers are written down in your home near the telephone.

(a) a physician if your own doctor is not available
(b) ambulance service
(c) poison antidotes
(d) paramedics
(e) hospital emergency room

Make a comparative study of costs of doctors' and/or dentists' fees in the local areas

Invite a representative of the Office of the Attorney General to discuss the various aspects of consumer fraud and protection in the marketplace, expressing current information on court decisions and legislative enactments.

Prepare and administer a survey to find out how students spend their money on drugs and cosmetics. Using this information, construct a graph showing how much is spent on each item.

Use brainstorming to determine the factors that influ-

ence the students to buy cosmetics (magazine, TV, radio, other). Collect and mount on the bulletin board several examples of the mass media influences on buying cosmetics.

Identify the sales appeal of two brands of either a drug or cosmetic product (example, hair spray, soap, aspirin, etc.). Compare the appeal used with the effectiveness of the product as determined by independent testing agencies.

Prepare a list of Federal, state, and local law enforcement agencies responsible for the safety of drugs and cosmetics, indicating services performed.

Develop criteria for the selection of prescription and over-the-counter drugs.

List and discuss guides for buying drugs and cosmetics.

Discuss some of the health and safety services provided by state and local governments.

Arrange a panel discussion on ways of reducing health costs.

Discuss the dangers of treating oneself when ill. List and discuss the elements in a good personal health program, including a regular physical examination and dental care.

Discuss the differences between an oculist, optometrist, and and optician.

Instructional Materials

Teacher References

FDA Papers. Food and Drug Administration, U.S. Department of Health, Education, and Welfare, Washington, D.C. 20204

Today's Health Magazine. American Medical Association, 535 North Dearborn Street, Chicago, Illinois 60610.
A monthly magazine with informative articles regarding a variety of today's critical health problems, issues, and practices.

Mechanical Quackery. American Medical Association, Department of Investigation, 535 North Dearborn, Chicago, Illinois 60610.
A brochure illustrating some mechanical devices used to defraud the public.

Fads, Myths, Quacks—and Your Health. Public Affairs Pamphlet No. 415, February 1968, Jacqueline Seaver, Public Affairs Committee, Public Affairs Pamphlets, 381 Park Avenue, New York, New York 10016.

RECREATION

Consumers have at their discretion large amounts of time that can be consumed in many ways. Time can be used for meaningless activities or for recreating activities. Using personal time wisely requires knowledge of alternative ways of using nonworking time, skills in selecting and using recreational activities, and beliefs that recreational activities are a part of one's plan for a better life.

Objectives

To help students:

- ☆ analyze practices and preferences for spending nonworking time
- ☆ consider the alternative activities that can be performed during recreational time
- ☆ understand the recreational markets that are bidding

for leisure-time dollars

- ☆ consider the cost factors of fun-time in relation to the entire financial plan
- ☆ determine the opportunity cost of leisure time
- ☆ consider the alternatives for spending time, money, and energy; and consider the effect of their decisions on themselves, their families, and their community

Outline of Content

1. Guidelines for selection of recreational activities
   - Kinds of recreation
     - Passive vs. active
     - Physical vs. sedentary
     - Individual vs. group
   - Recreation to strengthen abilities and overcome weaknesses
   - Recreation that leaves one something worth remembering
   - Recreation that helps others as well as oneself
     - Ecology drives
     - Charitable groups
   - Recreation that continues and develops as one grows older
   - Recreation involving community resources
2. Financial resources for recreation
   - Credit vacations and travel
   - Insuring recreation equipment and personal injuries resulting from recreation
   - Installment buying of recreational products
   - Planning recreational activities in relationship to total income
3. Recreational activities as a supplementary source of income
   - Arts and crafts
   - Services

Suggested Activities

Write an essay: "What I like to do best in my nonworking time. Why?"

Projects and topics for investigation and discussion:

(a) fly or drive?
(b) go now, pay later
(c) car rental
(d) cost of teenage activities
(e) winter sports plunge
(f) camping costs
(g) money for three-day weekends
(h) party prices
(i) bicycle security

Keep a time log to see how much time is spent on recreation. Examine the log to see if this time can be improved.

Instructional Materials

Consumer Reports. Consumers Union of the U. S., Inc., Mount Vernon, New York 10550.

Suggestions for purchasing a recreational product or service may be found in almost every issue of this monthly publication. The annual guide, *The Buying Guide Issue*, has selections entitled, "The Outdoor Recreation and Home Entertainment."

Changing Times. The Kiplinger Service for Families, 1729 H Street, New York, New York.

Each issue of this magazine suggests helps for recreation.

Consumer Education Programmed Learning Instruction in Using Leisure Time, Energy, and Money. Delta Pi Epsilon National Office, Gustavus Adolphus College, St. Peter, Minnesota 56082.

Money Management, Your Health and Recreation Dollar. Money Management Institute, Household Finance Corporation, Prudential Plaza, Chicago, Illinois 60601, 1968.

The Time-Life Book of Family Finance. Chapter 8: Vacation, Time-Life Books, New York, New York 1969.

Life, "The Endless Weekend," September 3, 1971.

Magazines dealing with specific recreational activities.

FURNISHINGS AND APPLIANCES

Furnishings and appliances compose one of the major purchases made by individuals and families. It is necessary that students be made aware that these purchases are usually acquired over a period of several years. Acquiring skills in decision-making will enable students to evaluate the alternatives in a rapidly changing society where there are a multiplicity of choices.

Objectives

To help students:

- develop the ability to make satisfying selections of furnishings and appliances according to social, psychological, and economic needs of self and family
- understand the importance of planning costs and payments
- recognize that planning the purchase of some furnishings and appliances involves the costs related to buying, delivering, installing, operating, and servicing
- learn to recognize the levels of quality and be able to decide when quality is a factor for choice
- understand the promises of servicing and adjustments made on warranties and guarantees
- become aware of how planned shopping skills can help consumers make the most of their dollars
- understand and develop an intelligent use of credit plans available
- become knowledgeable of their consumer rights and responsibilities
- find sources of help when fraudulent consumer practices are encountered
- realize that proper use, care, and maintenance can add to the life of furnishings and appliances

Outline of Content

1. Features of furnishings and appliances
   - Function
   - Quality of construction and finish
   - Design, color and texture, durability
   - Multiple uses
   - Comparative cost
   - Installation possibilities
   - Care and servicing requirements
   - Insurance for servicing
   - Parts available
   - Ease of mobility

Safety
Warranties, guarantees, seals
Labels and hangtags

2. Factors affecting choices in buying furnishings and appliances
   - Architectural features
   - Design style of home or apartment
   - Size, number, and arrangement of rooms
   - Division of space—ceiling heights, etc.
   - Available storage
   - Type and number of utility connections
   - Advertising
   - TV and radio
   - Peer group
   - Periodicals and books
   - Salesmen
   - Model homes, store and window displays
3. Financing and payments
   - Cash
   - Retail credit terms
   - Loans (bank, credit union, loan company, parents, etc.)
4. Consumer information and protection
   - Comparative shopping
   - Warranties and guarantees
   - Insurance for servicing
   - Local, state, and Federal laws
   - Sources of community help
5. Care and maintenance
   - Proper use of appliances
   - Services needed
   - Regular and periodic maintenance
   - Operating costs
   - Ecology waste

Suggested Activities

Ask students to take into consideration their lifestyles and list furniture they think would be needed for a three-room apartment for:

(1) two college coeds sharing an apartment
(2) young bachelor architect
(3) newly married couple
(4) couple with new baby

Using newspapers, catalogues, and magazines for furniture and price references, estimate the cost of furnishings for each.

Make a shopping check list, "What to Look for When Buying Furniture." Visit at least three different types of stores selling furniture. Use check list to investigate styles and prices. Read labels and tags for description of woods and finishes. Note variation of prices with quality and construction.

Make a bulletin board of furniture qualities and costs. Use tentative budget levels, $500, $1,000, or $1,500. Show best quality of furniture you can buy to furnish a bedroom and living room for each level.

Divide into groups, investigate major appliance stores including catalogues. Compare variety of brands and styles for:

Performance
Quality of construction
Style and special features
Installation possibilities

Availability of servicing
Service insurance
Overall costs
Financing and payments
Delivery service
Warranties and guarantees
Safety qualities
Ease of mobility

Obtain all available information; operating manuals, specification sheets, sales brochures. Report and have class discussion. In view of all information, what factors would you consider most important to consider in making a buying choice. Explain your reasons.

Invite resource people to talk on selection of furnishings and appliances.

Divide into groups, with each group selecting a major appliance to research information from utility companies, consumer reports, educational divisions of companies, for all available information. Make buying guide check list for each appliance, taking into consideration:

Construction
Space needed
Installation possibilities
How long is it needed?
Ease of mobility
Does it bear a seal of approval?
Use
Space available
Size, style, and special features
Safety features
Ecological facts
Long-and short-term goals

Use check list. Select comparison shopping committees to compare prices of well-known brands of appliances. Report on such stores as chain, specialty, department, mail-order houses, discount stores, and door-to-door salesmen. Have a panel discussion on information. Determine advantages or disadvantages, if any, of buying at the various stores. State factors which would influence your personal choice of the store to buy your appliance. What factors might influence choice of store for certain income levels?

Make a flannel display board of labels, samples of warranties, seals, hangtags, collected from previous family purchases or obtained from stores. Analyze and discuss the function of each and information it should contain. Draw up a list of standards or information you would recommend for a label or hangtag for a small household appliance.

Role-play: the returning of an unsatisfactory piece of furniture or small appliance which has not performed as guaranteed; the securing of service for an appliance covered by a warranty. Evaluate and comment on consumer and dealer responsibilities. Write down the correct procedure to take in both cases.

Visit an industry to determine how its products are designed and tested for safety.

Cite examples of accidents caused by products having features that are unsafe unless precautions are taken in their use. Since many accidents are cuased because persons did not read or follow directions, suggest ways in which consumers should be made more aware of their responsibilities.

Invite a home economist from a local utility company to explain the use of their safety features of major appliances, how they are meeting the ecological requirements, and ways the average consumer can help eliminate pollution in use of major appliances in the home.

Obtain a sample service insurance policy. Examine it for the approximate amount of servicing offered for the life of the appliance and length of insurance. Find out labor costs of servicing in your community. Consider differences in cost of insurance versus servicing without insurance. Weigh differences of costs and circumstances as to the advisability of having a service insurance.

Instructional Materials

Morton, Ruth, and Virginia G. Geuther. *The Home - Its Furnishings and Equipment.* McGraw-Hill, New York, New York 1970.

Planning, choosing, and buying home furnishings and accessories.

Thal, Helen, and Melinda Holcombe. *Your Family and Its Money.* Houghton Mifflin Co., Boston, Massachusetts 1968.

Values, goals, standards, cultural differences, decision-making to meet needs and solve problems.

Your Home Furnishing Dollar, Your Equipment Dollar. Money Management Institute, Household Finance Corporation, Prudential Plaza, Chicago, Illinois 60601.

Shows how to set up individual or family goals, recognizes values, gives information for planning money management for intelligent buying.

Ludwig, Amber C. *Portable Appliances: Their Selection, Use, and Care.* Consumer Information Services, Sears, Roebuck and Co., Dept. 703-Public Relations, Chicago, Illinois 60611, 1971.

A guide for choicemaking in selecting small appliances with pertinent information on care and use.

Insurance

Students have many experiences with insurance: as participants in the school's accident and sickness insurance program; as policyholders of automobile insurance; as beneficiaries of life insurance policies; as members of a family health insurance plan; and as recipients of social security benefits. In addition, students soon will be, or already are, buying life, health, and property insurance and making contributions to social security. To make intelligent choices in buying insurance, students need to know the risks of financial loss that they face, the methods by which they can minimize these losses or receive reimbursement for them, the methods to use in determining need for insurance coverages, the types of insurance and insurance policies needed for insurance coverages, types of insurance coverages, the types of insurance and insurance policies available to meet their needs, and the basis for choosing specific types of coverages.

Objectives

To help students:

- ☆ understand the basic idea, purpose, and importance of insurance in financial planning
- ☆ know the risks of financial loss that individuals face and be able to assign appropriate priorities to these risks as a means of assuring proper allocation of insurance funds

- ☆ understand the reasons for waiting periods, deductibles, participating and nonparticipating policies, and insurable interests
- ☆ know the expense categories that must be considered when buying insurance against premature death of the wage earner and know how to determine the amount of life insurance needed to supplement other types of death benefits
- ☆ understand when to buy "all protection" insurance and when to buy "protection-plus-saving" insurance, know the different types of policies available, and be able to select the most appropriate policy coverages
- ☆ understand the nonforfeiture options, dividend options, settlement options, grace period, waiver of premium riders, and double indemnity riders as contained in life insurance policies
- ☆ use guides in choosing life insurance companies and agents
- ☆ understand the role of social security in planning one's life insurance program, know the benefits available through social security, and know the eligibility requirements for these benefits
- ☆ understand the purpose of annuities, the types available, and the uses of annuities in one's financial planning
- ☆ know the risks that one faces regarding sickness and accident, appropriate priorities for these risks, and the forms of health insurance to buy as protection against specific types of risks
- ☆ know the most important provisions in health insurance contracts and how to select specific coverages to meet one's needs
- ☆ know the risks that one faces with respect to ownership or property and the amounts of coverage needed for these risks
- ☆ understand the uses of homeowner's and tenant's policies for personal and real property, and the appropriate form to buy
- ☆ know the specific coverages in an automobile insurance contract, and the appropriate amounts of insurance for each of these coverages, and the costs of the coverages know the specific coverages in motorcycle policy
- ☆ know how to choose automobile insurance companies

Outline of Content

1. General considerations
   - Basic idea and purpose of insurance: indemnification of financial losses
   - Insurance as an aid in attaining life's goals
   - Risks of financial loss
     - Loss of income
       - death
       - illness
       - disability
       - retirement of breadwinner
       - unemployment
     - Sickness and accident expenses
       - hospital
       - medical
       - surgical

- Personal and public liability
  - injury to other persons
  - damage to other people's property
- Loss of real or personal property
  - fire
  - acts of God
  - theft
  - misplacement
  - accidental destruction
- Damage to real or personal property
  - fire
  - other acts of God
  - vandalism
  - accidental damage
- Priority listing of risks in order of severest financial strain on the family budget

2. Life insurance and annuities
   - Coverages needed upon death of the breadwinner
     - Cleanup expenses
       - debts
       - last-minute illness costs
       - burial
       - estate settlement
     - Family living expenses
     - House mortgage
     - Education expenses for children
     - Widow's income between the time family social security payments stop and social security retirement benefits begin
     - Supplementary income during widow's retirement
   - Social security benefits that reduce the need for life insurance coverages
     - Survivors' benefits
     - Eligibility for survivor's benefits
     - Amounts of survivor's benefits provided
   - Determining amounts of life insurance needed
     - Determine the expenses to be covered in each expense category
     - Use a work sheet or rule of thumb to arrive at specific amounts of coverage needed
   - "All protection" insurance - term policies
     - Nature
     - Characteristics
     - Appropriate uses
   - "Protection-plus-saving" insurance - nature, characteristics, and uses
     - Straight life
     - Limited payment life
     - Endowment
     - Combination policies and special policies
   - Participating and nonparticipating policies
   - Contract provisions in life insurance policies
     - Nonforfeiture options
     - Dividend options
     - Settlement options
     - Grace periods
     - Waiver of premium riders
     - Double indemnity riders
   - Choosing life insurance companies and agents
   - Annuities
     - Types
     - Characteristics

Uses
Advantages
Disadvantages

3. Health insurance
   - Sickness and accident risks
     - Hospital
     - Medical
     - Surgical
     - Loss of income
   - Priorities in buying coverages for sickness and accident
   - Group health insurance plans (types and costs and coverages), including workmen's compensation, medicare, and medicaid
   - Policy provisions in health insurance
     - Waiting periods
     - Length of time benefits will be paid
     - In-patient and/or out-patient coverages
     - Recurring illnesses
     - Cancellation or renewal provisions
     - Disability definition
     - Deductible provisions
     - Co-insurance provisions
   - Major medical insurance policies
   - Comprehensive health insurance policies
   - Fraudulent practices in medicare and health insurance

4. Property insurance
   - Risks of financial loss because of property ownership or property occupancy
     - Homeowner's and tenant's policies
       - Forms
       - Specific coverages
       - Appropriate amounts of coverage
       - Costs
       - Policy provisions

5. Automobile insurance
   - Specific coverages and suggested amounts of coverage in automobile insurances
   - Costs of specific coverages in automobile insurance
   - No-fault automobile insurance
     - Provisions
     - Costs
     - Desirability
   - Choosing automobile insurance companies

Suggested Activities

Use the programmed learning materials for the insurance unit.

Prepare a duplicated list of risks of financial losses and ask students to rate these risks in order of severity of possible losses.

In the following situations, discuss the amount of reimbursement that should be received and relate this to the idea that insurance is designed to indemnify financial losses.

(1) total destruction of a $3,000 automobile
(2) theft of a $50 raincoat
(3) $5,000 damage to a house
(4) a $2,000 hospital bill
(5) the death of a father and wage earner

Drill on definitions of insurance vocabulary by requiring designated class members to have definitions ready on certain days. Keep a list of these terms on the chalkboard and review definitions as necessary.

Use the *Consumers Union Report on Life Insurance* to identify the expense coverages needed upon the death of a breadwinner or assign a committee the task of identifying and explaining the needed coverages.

Invite a speaker from the Social Security Administration to explain the benefits and the eligibility requirements for survivors of a deceased breadwinner and for disabled workers. Ask that copies of "Your Social Security" be provided for each class member.

To determine the amounts of life insurance coverages needed upon the death of the breadwinner, use the planning work sheet in the *Consumers Union Report on Life Insurance*, the work sheet in *Everybody's Money*, Fall, 1971, or prepare a work sheet that can be used for the specific class being taught.

Use life insurance rate charts (obtain copies of last year's life insurance rate books—such as *Little Gem* or *Best's Flitcraft Compend*) to compare rates for term, straight life, limited payment life, endowment, and special policies.

Invite a life insurance agent to come to class and to interview one of the boys to help him plan the type of life insurance coverage he needs.

Discuss the circumstances under which a family would be advised to purchase each type of life insurance policy.

Show on the overhead projector the following clauses in a life insurance policy.

(1) nonforfeiture options
(2) dividend options
(3) settlement options
(4) grace period clause
(5) waiver of premium rider
(6) double indemnity rider

Report on the requirements for becoming a Chartered Life Underwriter.

From a life insurance rate book, compare prices of life insurance policies for several companies.

Survey the local community and obtain a list of insurance brokers who are permitted to sell life insurance for more than one company.

Invite a life insurance agent to speak to the class on the various types of annuities and their uses in family financial planning.

Obtain a copy for each student of "A Family Guide to Property and Liability Insurance." Obtain also the record and filmstrips that accompany the pamphlet. Use these materials as the basic textbook for property and liability insurance.

Obtain copies of homeowner's and tenant's policies for students to analyze or show parts of the policies on the overhead projector for analysis purposes.

Invite a casualty insurance agent to the class to discuss coverages and costs for property and liability insurance.

48 Work several problems using the co-insurance factor found in property insurance policies.

Ask students to take an inventory of the personal property and the values of the property in one or more rooms of their homes. From a discussion of these lists, establish the need for keeping such an inventory.

Collect and discuss articles from the newspaper reporting on liability suits.

Discuss the dollar amounts of coverage that most automobile owners should have. Use articles from *Changing Times*, from *Everybody's Money*, or use tables from textbooks to show the relationship between increased liability coverages and increased premiums.

Discuss the relationship between the amount of the deductible and the amount of the premium for automobile, property, and health insurance.

Show on the overhead projector the actual policies of some of the students or their parents, and discuss the cost of coverages for automobile insurance in the local community.

Invite an automobile insurance agent to the class to discuss the provisions and costs of no-fault insurance.

Survey several automobile insurance companies and make a comparison of the costs of the specific coverages from each of the companies.

Instructional Materials

Programmed Learning Instruction in Making Use of Insurance. Delta Pi Epsilon National Office, Gustavus Adolphus College, St. Peter, Minnesota, 1971.

Linear programmed test material that permits individual study of insurance ideas. An instructor's manual is available for all units.

The Consumers Union Report on Life Insurance. Consumers Union of U.S., Inc., Mount Vernon, New York, distributed by Harper and Row, 49 East 33rd Street, New York 10016, 1967.

A complete and accurate discussion of life insurance needs and types of coverages available, including comparison of costs.

A Family Guide to Property and Liability Insurance. Insurance Information Institute, 110 William Street, New York 10038.

A pamphlet, two records, and two filmstrips available. A complete teaching package that can serve as total resource materials for property and automobile insurance. Multiple copies of pamphlet may be requested. Sample policies of homeowner's insurance and of automobile insurance are also available from the Institute. Filmstrip and records entitled, "Patterns for Protection" and "Automobile Insurance," are also available.

Changing Times. Editors Park, Maryland 20782.

A monthly periodical with frequent articles on insurance coverages and comparisons of cost for various types.

Everybody's Money. CUNA International, Madison, Wisconsin.

A periodical published four times a year containing easy-to-read material on all aspects of consumer education.

Your Social Security. Social Security Administration, U.S. Government Printing Office, Washington, D.C.

A summary of eligibility requirements for receiving social security benefits and sample illustrations of the

benefits that would be received under specified contribution levels. Local social security offices usually have multiple copies of this pamphlet.

Policies for Protection. Institute of Life Insurance and Health Insurance Institute, 277 Park Avenue, New York, New York 10017.

Sample life and health insurance policies.

Savings and Investments

The youth of today contribute significantly to the production of income in this nation. Their economic importance is even greater as consumers. Much of the income which this group spends may be thought of as discretionary. That is, it is income used to purchase goods other than necessities. It is also out of discretionary income that a savings and investment program must evolve.

It has been said that what a person accomplishes at a particular stage of his life cycle will depend in large measure on his accomplishments at earlier stages. The accumulation of wealth, the possession of a variety of goods and services contributing to a comfortable level of living, and the attainment of financial security will be determined largely by the individual's successfulness in his savings and investment program. The individual's assumption of the responsibilities of adulthood in an able, confident, and resourceful manner can be greatly facilitated by an understanding of the role, importance and implementation of savings and investments.

Objectives

To help students:

- ☆ understand the importance of savings and investing, recognizing that education is an investment in yourself; that budgeting money to income-producing assets is investing, hopefully, to product additional income; and that purchasing durable goods is an investment in living
- ☆ recognize the obstacles and pitfalls in savings and investments
- ☆ develop the ability to evaluate valid and reliable investment and savings information resources
- ☆ to become acquainted with the different ways of saving and investing money, and to gain knowledge and insights into the various types and kinds of savings and investment outlets
- ☆ understand and appreciate the importance of expressly establishing goals in establishing savings and investment program

Outline of Content

1. The importance of savings and investments
   - To the individual and his family
   - To the economy
2. Obstacles and pitfalls in savings and investments
   - Personality and attitudes
   - Criteria for evaluating savings and investments:
     - Safety
     - Rate of return
     - Liquidity or availability
3. Savings and investments media
   - Investing in yourself
     - Economics of an education
     - Financing an education
     - Government training

Savings accounts
- Banks
- Savings and loan associations
- Credit union

Investing in securities
Real estate as an investment
Mutual fund investments
Investing in a business
Government bonds
Insurance policies
Annuities
Investing in goods and commodities

4. Savings and investment information
   - Brokerage services
   - Periodicals
   - Books
   - Advisory services

5. Stages in the life cycle as they apply to objectives or goals for use of income

Suggested Activities

Discussion:

How is net worth determined?
What is the purpose of savings?
Why is the establishment of a savings program difficult for some individuals and families?
What does investing mean?
Why should money be put aside for future possible use?
What is the relationship between safety and rate of return in savings and investments?
How are information resources evaluated in making savings and investment decisions?
What are the advantages and disadvantages of different savings and investment media?
What is financial security?

Prepare a written or oral report on the reasons for, purpose of, and advantages of saving and/or investing.

Utilizing all possible sources of information, prepare a written report on one of the following:

Savings account, government bonds, credit union shares, common stocks, preferred stocks, corporate bonds, municipal bonds, mutual funds, investment companies, pension plans, insurance policies, straight and variable annuities.

Include type, coverages, and sources, where appropriate; evaluation of information available; advantages and disadvantages of each.

Newspapers and magazines frequently have articles about securities, companies, or industries. Make a collection of those articles—either for a scrapbook or a bulletin board display—which will give a greater insight into the operation of the stock market.

Investigate the statement, "All persons should not invest or save in the same way," by asking family and friends about their attitudes, opinions, and beliefs about the various types of savings and investment media. Relate this information to stated short-and long-term financial goals of these persons. Prepare a written report on the findings.

Public school buildings are often financed by bonds. Check with the superintendent of schools, the board of education secretary, school district clerk, or some other

local school official for answers to the following questions: Why were the bonds issued? When? What permission was needed to issue them? What is the interest and interest rate on them? When will they become due? Is the money being set aside to pay for the bonds and interest? How much? Where does the money come from?

Through a program called Junior Achievement, students can get a real experience in forming and operating a business, at the same time, perhaps make some money. If you cannot locate people locally in this program, write to:

Junior Achievement, Inc.
909 Third Avenue
New York, New York 10022

Establish and operate a credit union in the class through either actual student participation in savings and lending or role-playing.

Adapt commerical games, such as *Stocks and Bonds*, 3M Company, Box 3350, St. Paul, Minneosta 55101, for class use. For instance, allocate to each student an imaginary sum of money for investment in a selected group of actual stocks for a 3-, 4-, or 5-month period. Permit transactions and report prices on a weekly basis. Have each student prepare a report summarizing his experience.

Assign different groups responsibility for a report on a savings and investment program for a college student, a newly married couple, a family with two young children and a retired couple. Present these to class for suggestions, recommendations, and comment.

Obtain one or more films on investing from stock exchanges, stock brokers, or film services for showing to class. Films are available on stock exchange operations and to portray individual and family investment situations.

Use games in classroom for simulating career and living *conditions experiences with simulation games such as Ghetto* and *Life Career*, both available from Western Publishing Company, Inc., School and Library Department, 850 Third Avenue, New York, New York.

Instructional Materials

Wall Street Journal. 915 Hemlock Street, Highland, Illinois 62249.
National Business. Daily, $35.00 per year.

Barron's. Dow-Jones and Company, 200 Burnett Road, Chicopee, Massachusetts 01020.
Weekly, $18.00 per year.

Business Week. 330 West 42nd Street, New York, New York 10036.
Weekly, $12.00 per year.

Forbes. 60 Fifth Avenue, New York, New York 10011.
Twice monthly, $9.50 per year.

Changing Times. 1729 H Street, NW, Washington, D.C. 20006.
Monthly, $6.00 per year.

The Exchange. New York Stock Exchange, 11 Wall Street, New York, New York 10005.
Monthly, $2.50 per year.

Journal of Commerce. 99 Wall Street, New York, New York 10005.
Daily, $36.00 per year.

Doane, C. Russell. *How to Invest Wisely*. American Institute for Economic Research, Great Barrington, Massachusetts. 1970.

Background information, principal types and classifications of investments and discussion of individual's program.

Doane, C. Russell, and Edward J. Hills. *Investment Trusts and Funds from the Investor's Point of View*. American Institute for Economics Research, Great Barrington, Massachusetts, 1970.

Discussion of these media from investor's viewpoint.

Engel, Louis. *How to Buy Stocks*. Bantam Books, New York, New York, 1969.

Leads to a basic understanding of stocks, bonds, the securities markets, and the meaning of investments in easily understood language.

Money Management, Your Savings and Investment Dollar, Your Guide for Teaching Money Management. Household Finance Corporation, Money Management institute, Prudential Plaza, Chicago, Illinois 60601.

"Concept 6" Savings, Insurance, and Investments - gives specific generalizations and learning experiences for this area.

Portfolio of Teaching Aids. New York Stock Exchange, School and College Relations, 11 Wall Street, New York, New York 10005.

A copy of *You and the Investment World* may be obtained for each studen.. Order in advance.

Fact Book. Investment Company Institute, 61, Broadway, New York, New York 10006.

Current information on mutual funds and investment companies.

Fact Book. Savings and Loan Institute, 221 North LaSalle Street, Chicago, Illinois 60601.

International Credit Union Yearbook. CUNA International, Inc., 1617 Sherman Avenue, P. O. Box 431, Madison, Wisconsin 53701.

Taxes

Consumers today are deeply concerned over the relationship of tax costs to economic and social benefits. Heavy tax liabilities and differing views on the use of tax dollars bring about a need for careful, critical analysis of tax structures at all levels. These structures involve laws used as tools by government officials to collect and distribute revenue. Since consumers provide tax revenue, they should expect it to be used to promote mass economic and social benefits which facilitate their well-being. Consumers should understand tax laws well enough to engage in a continual evaluation and comparison of dollar costs versus benefits. An understanding of taxation should lead to appropriate action with respect to solution of personal tax problems as well as intelligent appraisal of governmental policies at the local, state, and Federal levels.

Objectives

To help students:

- realize that intelligent participation in the system is based on the knowledge that consumers ultimately pay all taxes; therefore, they should have deep concern for the tax laws under which dollars are collected and the policies used to distribute those tax dollars
- understand that public facilities and services at all levels are provided and maintained through expenditures of monies received from taxes

- ☆ recognize the necessity of the maintenance of accurate, complete records and legal responsibilities placed on consumers by Federal, state, and local tax laws
- ☆ recognize the necessity for analyzing both costs and benefits of taxation and if necessary, to initiate political action which will minimize costs and enhance benefits
- ☆ understand that government in a basically free order should be responsive to those governed by providing these goods and/or services that either cannot or are not available through the private sector or make possible economics of a magnitude greater than otherwise available

Outline of Content

1. Taxation as a sharing process
   - Common needs for goods and services
   - Sources of tax revenue—who will pay?
   - Enactment of tax law
   - Redistribution of tax revenue—who will share?
   - Influences of taxation on social and/or fiscal policies
2. Local and county tax revenue
   - Sources
     - Real property and personal property tax
     - Industrial property tax
     - Retail sales and excise tax
     - Local service taxes such as utility
     - Personal income tax
     - Other
   - Uses
     - Administration of local government units and services such as police, fire, recreation, welfare, and other ancillary services
     - Development of educational facilities and services
     - Provision of locally owned utility services
3. State tax revenue
   - Sources
     - Personal income tax
     - Fees, licenses, and tax on motor vehicles and fuel
     - Fees and licenses on sportsmen
     - Fees, licenses, and tax on distributors and users of liquor
     - Occupational tax on retailers
     - State service taxes such as utility
     - State insurance fees and social taxes
     - Illinois racing fees and licenses
     - Other
   - Uses
     - Administration of state governmental units and services such as education and welfare
     - State highways and other services such as police
     - organization, regulation, and services of state game and fish commission
     - State agencies and services such as police
     - Provision for group insurance such as health and life for state employees
     - Administration and control of racing industry

4. Federal tax revenue
   - Sources
     - Personal income tax
     - Corporation income tax
     - Excise tax
     - Inheritance and gift tax
     - Other
   - Uses
     - Administration of Federal governmental agencies
     - Federal regulation and services such as defense, health, education, and welfare, social insurance, court systems, and other related services
5. Consumer tools for analysis of tax structure
   - Effect of tax structure on personal incentives
   - Personal economic costs versus corresponding personal benefits
   - Social economic costs versus corresponding social benefits
   - Effects of regulatory functions on growth and stability
   - Costs of collection compared to yield—efficiency
   - Criteria useful in determination of the equity of tax burdens
   - Criteria useful in determination of the equity of tax redistribution
   - Cause-effect relationship of surpluses and/or deficit spending

Suggested Activities

Invite small groups of students to work with a current city or state budget which has been submitted for approval. Assume that a one million dollar tax revenue bill has just been voted down by the public; therefore, this amount must be cut from the budget under consideration. Allow each group of students to determine what they would cut from the budget, supported by the justification for their proposed cut(s). Following discussions and formulation of policy, each small group could review their decision with the entire class.

For a variation, assume that a one million dollar tax bill has just been passed and additions may be made to the budget. Permit students to create and justify proposals for new or extended budget.

Develop a list of benefits provided from tax dollars now being spent. Calculate the individual and/or public cost of each benefit and compare that cost with the estimated private cost for the same benefit.

Allow individuals to calculate their own tax liability through the use of resource materials found in "Teaching Taxes." Use both a short and long form and compare the difference. Calculate the per hour rate for personal recordkeeping in terms of tax dollars saved.

Have a panel discussion on the following subjects: (1) Identify three government services now provided for consumers and demonstrate how private industry might provide these services at a lower cost and/or with greater efficiency. (2) Select one or two services now provided privately by business and demonstrate how governmental provision of these services could be handled more economically and/or efficiently.

55 Discuss the following topics:

1. Should private, nonprofit institutions be required to

pay taxes on income?

2. Should the law allow "business expense deductions" when money is spent primarily for personal pleasure? Are there ethical considerations which go beyond the law? How do these deductions affect other consumers?
3. Could a person's tax liability become heavy enough that he will refuse to work as hard or earn as much? Assuming his production falls because incentive has been reduced—how does this affect other consumers?
4. Do taxpayers receive fair dollar value in the form of facilities and services for tax dollars spent?

Involve students in consideration of taxpayer responsibilities for care and maintenance of public facilities as well as wise consumer use of public services. Could tax savings be realized through responsible consumer action? Are ecological issues important to the consumer?

Instructional Materials

The following list of suggested resources may provide teacher background and/or student information useful to those who study taxation. Consideration should also be given the extensive listing of resource materials in the last section of this publication.

Illinois. Illinois Information Service, Room 406, State Capitol, Springfield, Illinois.

Resources pertaining to Illinois Tax Laws.

Road Maps of Industry. National Industrial Conference Board, Inc., 845 Third Avenue, New York, New York 10022.

Monthly color graphs illustrating changes in various sectors of the economy.

Teaching Taxes. Internal Revenue Service. (Available from local office.)

Packet of instructional aids including wall charts, student materials, teachers solution manual, and resume of income tax laws.

The Consumer in Society

The consumer is the foundation of economic activity in the United States. It is important that young people in our country be knowledgeable regarding the consumer movement and be aware of the rights and responsibilities of the consumer. To meet the often conflicting goals of Justice, Freedom, Stability, Security, and Growth, it is necessary to have a well-informed consuming public. Attainment of these goals depends largely on effectively teaching young consumers how to convert their resources into goods and services which will lead to a better quality of life for them. It is also crucial that the consumer become fully aware of the impact of public policy decisions on the purchasing power of his own resources.

Objectives

To help students:

- understand the effect of consumer in the marketplace on the national economy
- understand the effect of economic conditions on the consumer
- understand the importance of government participation in the economy
- understand the development and progress of the consumer movement

- learn how to make use of the aid and protection afforded the consumer by business, government, and independent agencies and organizations
- become aware of the social and economic costs
- understand the impact which governmental controls have on the consumer and how these should effect the consumer's decision-making process

Outline of Content

1. The consumer in the economy
   - Economic activity
     - Circular flow
       - consumer-producer-marketer-consumer
   - Consumer
     - User of goods and services
     - Income earner
     - Investor
   - Consumer's role in determining the nature of and level of economic activity
     - Products-services mix of the overall economy
     - Profitability
     - Conglomerates - (multinational corporation)
     - Production planning
     - Productivity
   - Economic conditions affecting consumers
     - Income distribution
     - Discriminatory practices
       - racial
       - sex
       - other
     - Inflation
     - Deflation
     - Tax policy
     - Price and wage controls
2. The consumer movement
   - History of consumer movement
   - Growth of consumer interest
   - Consumer interest in the major political parties
   - Consumer organizations and their political influence
     - Consumer Federation of Illinois
     - Consumer Federation of America
3. Consumers and the legal framework
   - Legislation affecting consumer interests
     - Federal legislation
     - State legislation
     - Pros and cons of legislation currently before state and national bodies
   - Government protection of the consumer
     - The need for government protection of consumers
     - The extent of Federal and state consumer protection activities
       - Federal government agencies
         - Federal Trade Commission
         - Food and Drug Administration
         - Other Federal agencies
       - State and local government agencies
         - Illinois Attorney General's Office
         - Chicago City Department of Scales
         - Other agencies
4. The social costs of consumption - Ecology
   - Determining who should pay

Determining who benefits most from cleanup
Determining who contributed most to pollution of environment
Determining who benefited most from pollution of environment
Figuring what a person who pays should pay
The high cost of correction may raise questions as to the efficiency of cleanup

Suggested Activities

Write an essay on one of the two following topics: "How Consumer Decisions Affect Business Policies," or "How Do Government Economic Policies Affect the Consumer."

Conduct a class discussion dealing with the question of what consumer protection should be provided by the government and what responsibilities should be left to the consumer.

Assign committees to report on current consumer issues related to prices, advertising, unions, and government regulations.

Have a student draw the "circular flow" and explain to the class how the flow chart illustrates an economy which is dynamic; has income and production sides; that money is a claimcheck for a contribution to production; one man's income is another man's expense; and the importance of savings and investment.

Discuss the difference between what an economist means by the word economize and what the average man on the street would think of the word economize.

Have a panel of students discuss one of the following:

How is it possible for electricity to cost less today, as "Little Bill" says in the ads than it did twenty years ago?

Why can wages go up while the prices of many mass-produced items are decreasing, such as watches, television sets, washers, and refrigerators?

Why is the U.S. one of the richest nations in the world, and how rich are we?

Why are people reluctant to borrow in order to go to school for further education past high school, while almost anyone will borrow for a new car?

It has been said that money and time invested in an education is the most valuable capital asset owned by most individuals. Explain

Poster Projects to be done large enough to be seen from the back of the classroom.

Put up poster board and print the following on them with a large felt pen.

GROWTH - the desire for an increasing standard of living for an increasing population

STABILITY - the desire for a high level of employment without inflation

SECURITY - the desire for continuity of income in the face of physical and economic hazards

FREEDOM - the desire of producers to select their occupations and of consumers to dispose of their income knowledgeably

JUSTICE - the desire to minimize inequalities of opportunities and inequalities of income

These often conflicting goals help to point out the choices economics help us to make.

Reproduce the Flow Chart on a large sheet of poster board. Be sure that the letters are printed large enough so they can be read from the back of the classroom. This is the Economic equivalent of Chemistry's Periodic Table. Plan it out in pencil and then use felt pen to darken the lines. Be sure it is properly proportioned.

Identify ways in which consumers can accept responsibility in regard to legislation, unfair business practices, or use of customer services provided by business.

Invite a speaker from one of the local offices of a state or Federal consumer protection agency.

Take a survey of the public as to what they would be willing to give up in order to fight pollution of air, water, and land.

Ask a local elected official to speak to the class about the problems of pollution and the efforts being made in the community to solve pollution problems. Invite the mayor or city manager, or other local official to discuss with the class the impact of consumer activity or the lack of consumer activity on the economy of the area.

Gather together Federal, state, and local antipollution laws and investigate the degree to which they are being enforced. In the cases where they are not being enforced talk to the violator and the enforcer to determine why they are not enforced or why the violator will not obey the laws.

Research and discuss the current projects of consumer advocates.

Instructional Materials

The New Poverty. Federal Reserve Bank of Philadelphia, Public Information Department, Philadelphia, Pennsylvania 19101.

This series covers the problems of the economy and National Policy-making.

Two Faces of Debt. Federal Reserve Bank of Chicago, Chicago, Illinois.

An informative look at the concept of debt when it is not a problem. Particular emphasis on the National Debt.

You, Money and Prosperity. American Bankers Association, Banking Education Committee, 90 Park Avenue, New York, New York 10016.

A study of the role of money and the consumer in the economy. Special emphasis is placed on the effect of spending on inflation or deflation.

Consumer Alert. Federal Trade Commission, Washington, D.C. 20530.

This publication comes out periodically and notifies the *public* of illegal activities which the Federal Trade Commission is investigating.

A Primer on Good Spending, by Robert L. Heilbroner and Peter L. Bernstein. Second edition. Random House, New York, New York, 1971.

This book was written to defend the Keynesian economics of the Kennedy Administration. It has since been updated and is an excellent discussion of the use of fiscal and monetary policy to stablize the economy.

A Primer on Employment and Wages, by Walter Galenson. Second edition. Random House, New York, New York, 1970.

A concise discussion of the problems of manpower economics, welfare and poverty in the United States.

The Making of Economic Society, by Robert L. Heilbroner. Prentice Hall, Inc., Englewood Cliffs, New Jersey, 1968.

Discussion of the evolution of Economics System and the U.S. economy.

RESOURCES

This section contains listings of selected bibliographies and other sources of consumer education information and materials from which additional resources may be obtained. It is suggested that a variety of resources be incorporated into the instructional program for a multimedia approach.

Consideration should be given to the many human resources which are available. Students may provide numerous illustrations, personal experiences, and news clippings which will enrich classroom discussion as well as the total program. Students will gain valuable experience in being responsible for selection and arrangement of speakers.

Colleagues, administrators, and parents serving as resource personnel and guest speakers will give variety and dimension to the program. Representatives of consumer-related agencies and associations will serve as guest speakers in addition to disseminating information in the form of films, filmstrips, brochures, and pamphlets in classroom quantity.

SELECTED BIBLIOGRAPHIES AND OTHER SOURCES OF INFORMATION IN CONSUMER EDUCATION

ANNOTATED BIBLIOGRAPHY, Ohio Council on Economic Education, 69 Bentley Hall, Ohio University, Athens, Ohio 45701.

ANNOTATED BIBLIOGRAPHY OF MATERIALS IN ECONOMICS EDUCATION, Joint Council on Economic Education, 2 West 46 Street, New York, New York 10036.

ASSOCIATED CREDIT BUREAUS ORDER FORM, Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Texas 77036.

BIBLIOGRAPHY OF PUBLICATIONS, National Canners Association, 1133 - 20th Street, NW, Washington, D. C. 20036.

BIBLIOGRAPHY OF RESEARCH ON CONSUMER AND HOMEMAKING EDUCATION, Anna M. Gorman, Joel H. Magisos, ERIC Clearinghouse on Vocational and Technical Education, Center for Vocational and Technical Education, Ohio State University, Columbus, Ohio.

BIBLIOGRAPHY ON MARKETING TO LOW-INCOME CONSUMERS, U.S. Government Printing Office, Washington, D.C. 20402.

BUREAU OF LABOR STATISTICS CATALOG OF PUBLICATIONS, U. S. Department of Labor, Superintendent of Documents, U.S. Government Printing Office, Washington, D. C. 20402.

A CATALOG OF SEARS LEARNING AIDS, Consumer Information Services, Department 703-Public Relations, Sears, Roebuck, and Company, 303 East Ohio Street, Chicago, Illinois 60611.

CATALOG OF TEACHING AIDS ON LIFE AND HEALTH INSURANCE AND MONEY MANAGEMENT, Educational Division, Institute of Life Insurance, Health Insurance Institute, 277 Park Avenue, New York, New York 10017.

CATALOGUE ON CONSUMER INFORMATION, Public Affairs Committee, 381 Park Avenue South, New York, New York 10016.

CHANGING TIMES MAGAZINE AND TEACHER'S JOURNAL, Changing Times Education Service, 1729 H Street, NW, Washington, D.C. 10006.

CONSUMER EDUCATION BOOKLETS, PROGRAMS AND SPECIAL SERVICES FOR: EDUCATORS, CLUB LEADERS, COMMUNICATIONS, The Sperry and Hutchinson Company, 3003 East Kemper Road, Cincinnati, Ohio 45241.

CONSUMER EDUCATION BIBLIOGRAPHY, Office of Consumer Affairs, Executive Office of the President, Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

CONSUMER EDUCATION PROGRAMMED LEARNING INSTRUCTION BOOKLETS, Delta Pi Epsilon National Office, Gustavus Adolphus College, St. Peter, Minnesota 56082.

CONSUMER INFORMATION MATERIAL PRICE LIST AND ORDER FORM, Bay Area Neighborhood Development, 4801 Central Avenue, Richmond, California 94804.

CONSUMER INFORMATION PRICE LIST #86, U. S. Government Printing Office, Division of Public Documents, Washington, D. C. 20402.

CONSUMER PRODUCT INFORMATION-AN INDEX OF SELECTED FEDERAL PUBLICATIONS OF CONSUMER INTEREST, Consumer Product Information Distribution Center, Washington, D. C. 20407.

A CONSUMER'S GUIDE TO USDA SERVICES NO. 959, U.S. Department of Agriculture, Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

CURRICULUM PUBLICATION LISTINGS, Bureau of Curriculum Development, Board of Education of the City of New York, Curriculum Center, 131 Livingston Street, Brooklyn, New York 11201.

DEVELOPING A RESOURCE CENTER IN CONSUMER EDUCATION: AN ANNOTATED BIBLIOGRAPHY, by Garman, Crank, Cochran, E. Thomas Garman, Business Education Department, Northern Illinois University, DeKalb, Illinois 60115.

EDUCATIONAL ACTIVITIES AND TEACHING AIDS, Association of Home Appliances Manufacturers, 20 North Wacker Drive, Chicago, Illinois 60606.

FREE AND INEXPENSIVE MATERIALS, Council for Family Financial Education, 1110 Fidler Lane, Suite 1616, Silver Springs, Maryland 20910.

HELPFUL TAX LITERATURE (Publication 610) Internal Revenue Service, Department of the Treasury, Washington, D. C. 20224, or local Internal Revenue Office.

LIST OF FREE MATERIALS AVAILABLE TO SECONDARY SCHOOL INSTRUCTORS, Educational Service Bureau, Dow-Jones Company, P.O. Box 300, Princeton, New Jersey 08540.

LIST OF MATERIALS ON MONEY AND BANKING FOR ELEMENTARY AND SECONDARY SCHOOLS, Banking Education Committee, The American Bankers Association, 12 East 36 Street, New York, New York

1970-1971 CATALOG OF TEACHING AIDS ON LIFE AND HEALTH INSURANCE AND MONEY MANAGEMENT, Educational Division, Institute of Life Insurance, Health Insurance Institute, 277 Park Avenue, New York, New York 10017.

1970 PUBLIC AFFAIRS PAMPHLETS, Public Affairs Committee, Inc., 381 Park Avenue South, New York, New York 10016.

PUBLICATIONS CATALOG 1969-1970 AMERICAN STOCK EXCHANGE, American Stock Exchange, 86 Trinity Place, New York, New York 10006.

SELECTED AND ANNOTATED BIBLIOGRAPHY OF REFERENCE MATERIALS IN...CONSUMER FINANCE, Educational Service Division, National Consumer Finance Association, 1000 - 16th Street, NW, Washington, D.C. 20036.

SUGGESTED GUIDELINES FOR CONSUMER EDUCATION, Grades K-12, Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

SUGGESTED LEARNING: CONSUMER AND HOMEMAKING EDUCATION, Special Programs Unit, Division of Vocational and Technical Education, 1035 Outer Park Drive, Springfield, Illinois 62706.

SUPPLEMENTARY CONSUMER BIBLIOGRAPHY, Stewart M. Lee, American Council on Consumer Interests, Geneva College, Beaver Falls, Pennsylvania 15010.

TEACHING AIDS IN CONSUMER ECONOMICS, New York State Council on Economic Education, State University of New York at Albany, 135 Western Avenue, Albany, New York 12203.

TEACHING CONSUMER EDUCATION AND FINANCIAL PLANNING, Council for Family Financial Education, 1110 Fidler Lane, Suite 1616, Silver Springs, Maryland 20910.

SELECTED SOURCES OF CONSUMER EDUCATION INFORMATION AND MATERIALS

AFL - CIO
815 16th Street, NW
Washington, D.C. 20006

AMERICAN BANKERS ASSOCIATION
Order Processing Department or
Banking Education Committee
90 Park Avenue
New York, New York 10016

AMERICAN COUNCIL ON CONSUMER INTERESTS
(Formerly Council on Consumer Information)
238 Stanley Hall
University of Missouri
Columbia, Missouri 65201

AMERICAN HOME ECONOMICS ASSOCIATION
2010 Massachusetts Avenue, NW
Washington, D.C. 20036

AMERICAN MEDICAL ASSOCIATION
Department of Health Education
535 North Dearborn Street
Chicago, Illinois 60610

ASSOCIATED CREDIT BUREAUS, INC.
Director of Public Relations
6767 Southwest Freeway
Houston, Texas 77036

ASSOCIATED FILMS, INC.
600 Madison Avenue
New York, New York 10022

ASSOCIATION OF HOME APPLIANCE MANUFACTURERS
20 North Wacker Drive
Chicago, Illinois 60606

BAILEY-FILM ASSOCIATES
11559 Santa Monica Boulevard
Los Angeles, California 90025

BENEFIC PRESS
10300 West Roosevelt Road
Westchester, Illinois 60153

BETTER BUSINESS BUREAU
430 North Michigan Avenue
Chicago, Illinois 60611

CENTER FOR CONSUMER EDUCATION SERVICES
State Department of Education
New Jersey Residential Manpower Center
Building 871, Plainview Avenue
Edison, New Jersey 08817

CHAMBER OF COMMERCE OF THE UNITED STATES
1615 H Street NW
Washington, D.C. 20006

CHANGING TIMES EDUCATIONAL SERVICE
1729 H Street NW
Washington, D.C. 20006

CHICAGO CONSUMER PROTECTION COMMITTEE
Room 486
U.S. Court House and Federal Office Building
219 South Dearborn Street
Chicago, Illinois 60604

CONSUMER FEDERATION OF AMERICA
1012-14th Street, NW
Washington, D.C. 20005

CONSUMERS RESEARCH, INC.
Washington, New Jersey 07882

CONSUMERS UNION OF U. S., INC.
Educational Services Division
256 Washington Street
Mount Vernon, New York 10550

COUNCIL FOR FAMILY FINANCIAL EDUCATION, INC.
1110 Fidler Lane
Suite 1616
Silver Springs, Maryland 20910

C.U.N.A. INTERNATIONAL, INC.
P.O. Box 431
Madison, Wisconsin 53701

DEPARTMENT OF CONSUMER SALES AND WEIGHTS AND MEASURES
City Hall
121 North LaSalle Street
Chicago, Illinois 60602

ENVIRONMENTAL PROTECTION AGENCY
One North Wacker Drive
Chicago, Illinois 60606

FEDERAL RESERVE BANK OF PHILADELPHIA
Philadelphia, Pennsylvania 19101

FEDERAL TRADE COMMISSION
Room 486
U.S. Court House and Federal Office Building
219 South Dearborn Street
Chicago, Illinois 60604

FOLLETT EDUCATION CORPORATION
1010 West Washington Boulevard
Chicago, Illinois 60607

GROLIER EDUCATION CORPORATION
845 Third Avenue
New York, New York 10022

HOLT, RINEHART AND WINSTON, INC.
645 North Michigan Avenue
Chicago, Illinois 60611

HOUGHTON MIFFLIN COMPANY
1900 South Batavia Avenue
Geneva, Illinois 60134

HOUSEHOLD FINANCE CORPORATION
Money Management Institute
Prudential Plaza
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